SPECIAL NOTICE REGARDING
CORONAVIRUS DISEASE 2019 (COVID-19)
AND PARTICIPATION IN PUBLIC MEETINGS

On March 4, 2020, Governor Newsom declared a State of Emergency resulting from the threat of COVID-19. Governor Newsom issued Executive Order N-25-20 (3-12-20) and Executive Order N-29-20 (3-17-20) which temporarily suspend portions of the Brown Act relative to conducting public meetings. Subsequent thereto, Governor Newsom issued Executive Order N-33-20 (3-19-20) ordering all individuals to stay at home or at their place of residence. Accordingly, it has been determined that all Board and Workshop meetings of the San Bernardino Valley Municipal Water District will be held pursuant to the Brown Act and will be conducted via teleconference. There will be no public access to the meeting venue.

BOARD OF DIRECTORS WORKSHOP - ENGINEERING
TUESDAY, JUNE 9, 2020 – 2:00 P.M.

PUBLIC PARTICIPATION
Public participation is welcome and encouraged. You may participate in the June 9, 2020, 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: 753 841 573
https://us02web.zoom.us/j/753841573

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, June 8, 2020. All public comments will be provided to the Chair 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. 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. Participation in the meeting via the Zoom app is strongly encouraged; there is no way to protect your privacy if you elect to call in to the meeting. The Zoom app is a free download.
CALL TO ORDER -  
Chairperson: Director Kielhold  
Vice-Chair: Director Hayes

1. INTRODUCTIONS

2. PUBLIC COMMENT - Any person may address the Board on matters within its jurisdiction.

3. SUMMARY OF PREVIOUS MEETING
   3.1. May 12, 2020, Meeting (Page 3)  
       Summary Notes BOD Workshop Engineering 051220

4. PRESENTATIONS
   4.1. Overview of Valley District's Emergency Preparedness Planning (Page 7)  
       Staff Memo - Overview of Valley District's Emergency Preparedness Planning

5. DISCUSSION ITEMS
   5.1. Consider Purchase of State Water Project Turnout WR-23 to Use to Recharge the Colton and Riverside North Groundwater Basins (Page 10)  
       Staff Memo - Consider Purchase of SWP Turnout WR-23  
       WR23 Turnout Location Map and Aerial View  
       Action Plan for Colton Basin Area Riverside North Basin Water Levels  
       MWDSC Request to Transfer WR-23  
       DWR Turnout Re-Authorization Cost  
       DWR Invoice to Valley District for Re-Authorization Costs  
       Transfer Agreement with Metropolitan and Western MWD
5.2. Consider Santa Ana River Recharge Modeling and Testing with Geoscience (Page 77)
Staff Memo - Consider Santa Ana River Recharge Modeling and Testing
Locations of the three Index Wells
Historic individual and average groundwater levels for the Index Wells
Scope for Conducting Modeling of Recharge Testing and Providing Support during Testing by Geoscience

5.3. Consider Lease Agreement for AT&T Cellular to Construct and Operate a Cellular Communications Tower (Page 91)
Staff Memo - AT&T Cellular Tower Lease Agreement
SBVMWD AT&T Cell Tower Lease Agreement
City of Redlands CUP 1135

5.4. Consider Fourth Joint Facilities Agreement with San Gorgonio Pass Water Agency (Page 118)
Staff Memo - Consider Fourth Joint Facilities Agreement with San Gorgonio Pass Water Agency
Fourth Joint Facilities Agreement
Third Joint Facilities Agreement Exhibits

6. DIRECTOR REQUESTS FOR CONSIDERATION

7. 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.sbvmwd.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 Lillian Hernandez at (909) 387-9214 two working days prior to the meeting with any special requests for reasonable accommodation.
DATE: June 9, 2020
TO: Board of Directors' Workshop - Engineering
FROM: Staff
SUBJECT: Summary of May 12, 2020 Board of Directors’ Workshop - Engineering

The Board of Directors held a Workshop on May 12, 2020. Director Kielhold chaired the meeting via video-conference and Directors Harrison, Navarro, Longville, and Hayes participated in the Workshop supported by Heather Dyer, Bob Tincher, Wen Huang, Cindy Saks, Brent Adair, Aaron Jones, Melissa Zoba, Matt Howard, Lillian Hernandez, and Mike Esquer of staff. The following agenda items were discussed:

3.1 Summary of Previous Meeting on April 14, 2020. The summary notes of the April 14, 2020, meeting were accepted.

4.1 Consider Engineering Design Services for Solar Panels on Valley District’s Administration Building. Staff presented that they have been working with Vision Civil Engineering to develop a scope of services for design and future installation of solar panels on the Administration Building. Staff also noted that the estimated payback period for the proposed 48 kW solar system would be from 8.5 to 13 years (depending on the future rate increases by SCE), the anticipated life of the solar equipment is 20-25 years, and the total estimated installation cost is between $130,000 and $150,000.

Action Item: Forward Vision Civil Engineers proposal of $7,800 for engineering design services to the full Board for consideration.
4.2 Consider Evaluation of Options for Small Hydropower Plant Divesture by Southern California Edison. Staff informed the Board of Directors that, through recent communications between Southern California Edison (SCE) and the local water users on Mill Creek and Santa Ana River, Staff became aware of SCE’s planned divesture of certain small hydropower projects. Additionally, Staff provided a background on the projects, as well as recent discussions with SCE and other stakeholders, to include opportunities, risks, and recommended milestones. A plan is currently being evaluated to engage SCE as a local consortium of water users that have a direct and material interest in the water infrastructure supporting these hydropower projects. The local water users have agreed to contribute $25,000 each initially to conduct research and evaluation and to develop a strategy to negotiate with SCE. A proposal solicited from NLine Energy will be presented to the Board at the May 19th Board of Directors’ meeting for consideration.

**Action Item:** Staff continues to work with the consortium to complete the evaluation and brings recommendations back to the Board of Directors for consideration in future workshops.

4.3 Update on the Citrus Reservoir Floating Cover System Project. Staff provided an update on the Citrus Reservoir and Pump Station Project (Project). The reservoir has been in continuous service since June 2017. On November 6, 2018, the Board of Directors authorized procurement of the Rhombo Hexoshield floating cover system to comply with mitigation requirements for the Citrus Reservoir provided in the Wildlife Hazard Management Plan (WHMP) prepared and adopted by the California Department of Water Resources (DWR) as part of the East Branch Extension (EBX) Phase 2 Project. Since then, over 3.7 million balls out of a total of 7.5 million balls have been deployed in the reservoir. Based on the recent biological monitoring events, the floating cover, even at less than half completed, has been very effective deterring migratory birds from using the reservoir.

In November 2019, there was evidence that some of the rhomboidal shaped balls have developed holes, sunk and subsequently been pulled into the reservoir pumps. Since then, the Citrus Pump Station has been shut down for investigations. Due to a relatively-low State Water Project allocation so far for this year, deliveries to our customers on the east end of the District’s service area and to San Gorgonio Pass Water Agency (SGPWA) have been successfully met through the Greenspot Pump Station without being impacted by the shutdown of the Citrus Pump Station.
Through the collaboration with DWR staff, corrective measures have since been identified. On December 17, 2019, the Board approved a budget of $280,000 related to the Project. Following the Board approval of the budget in December 2019, Valley District staff, in cooperation with DWR staff, has completely dewatered the reservoir using the Citrus Pump Station and rental dewatering pumps. Additionally, DWR staff has deployed a floating debris boom and net system designed to keep the rhomboidal balls from entering the Citrus Pump Station intake gallery, and completed the design of pump screens at each pump intake column to protect against any future intake of debris or balls that may plug up the pumps. Fabrication of the eight (8) pump screens was completed and delivered to the site in mid-April. Subsequent to satisfactory inspection and confirmation of no debris clogging up the pump intakes, installation of the pump screens was started in late April and completed in May. The reservoir is expected to be placed back in service in late May/early June 2020, barring any unforeseen circumstances. The total estimated Project cost is approximately $166,453 including rental dewatering equipment, pump screen fabrication and installation, pump inspection and repair, and miscellaneous materials and rentals, which will be shared with SGPWA (22.6%).

**Action Item(s):** Staff will provide an update and final Project costs upon completion of the Project at a future workshop or regular Board meeting.

**4.4 Update on City of Yucaipa Stormwater Recharge Basins.** Staff provided an update on the City of Yucaipa (City) Stormwater Recharge Basins. The stormwater recharge basins that were presented were the Fremont Low Water Crossing (LWC) and Wilson III Basins along with an update on their applicability with the Local Resource Investment Program (LRIP). Staff provided an overview of previous discussions with the Board of Directors that included recommendations and presentations at the January 14, 2020 Engineering Workshop and February 12, 2020 Resources Workshop. Staff has been working closely with the City to meet the performance monitoring requirements outlined in the LRIP program for the Wilson III and Fremont LWC Bains. The City has indicated that they will submit separate applications for each stormwater capture basin. The Wilson III application will request a hybrid approach that provides the City with upfront lump sum funding and will outline the specific planned performance monitoring devices. The Fremont LWC application will request the traditional LRIP payment approach and will outline the specific planned performance monitoring devices. Staff provided photos of the planned Wilson III basin with the outlined staff gauges, gated...
inlets and outlets and removable stop logs locations. Staff provided photos of the completed Fremont LWC Basin and verbally outlined that the City will be providing the performance monitoring devices in their LRIP application. The City has indicated that they intend to submit their LRIP applications for both basins by May 22, 2020. Staff will then review and provide any comment and/or changes to the applications, at which point LRIP agreements will be drafted and brought back to the Board for further consideration.

**Action Item:** Staff will continue to work with the City of Yucaipa to complete and develop their LRIP applications for the Fremont LWC and Wilson III basins. This item will be brought back to the Board for further discussion and consideration.

5. **Future Business:**

None discussed.

**Staff Recommendation**

Receive and File
DATE: June 9, 2020
TO: Board of Directors Workshop – Engineering
FROM: Bob Tincher, Deputy General Manager – Water Resources
SUBJECT: Overview of Valley District’s Emergency Preparedness Planning

At a recent Board of Directors meeting, Director Navarro requested a presentation on the District’s emergency preparedness planning. At this workshop, staff will provide an overview of Valley District’s emergency preparedness program and provide an update on its COVID-19 response. Staff will refer to the Emergency Operations Plan (Plan) during the presentation; please bring your copy of the Plan to the workshop.

Background

Valley District wrote its first Plan in 1995 based upon the California Standardized Emergency Management System (SEMS), developed in 1991. To keep the Plan updated and to continue to develop the Valley District emergency preparedness program, staff created an Emergency Planning Committee (EPC). The EPC is comprised of staff members who meet regularly throughout the year to discuss Plan updates, emergency supplies, training, and hazard mitigation. Each year, the EPC reviews data in the Plan that can change more frequently, such as the staff roster and phone numbers. Roughly every 5 years, the EPC performs a more thorough review of the Plan to make any improvements and to ensure it is up to current standards. The last thorough review took place in 2016.

In 2004, the Federal government developed the National Incident Management System (NIMS) which is very similar to SEMS. Valley District updated the Plan to ensure it is compliant with both SEMS and NIMS. The goal of both SEMS and NIMS is to establish a standardized approach to managing an emergency situation that can be used by all types of agencies for all types of emergencies. SEMS and NIMS generally establish an organizational structure, a
common language and a common approach for assessing, managing and overcoming an emergency situation.

The Plan covers varying degrees, or categories, of emergencies. Some emergencies are not as extreme and can be handled, by staff, during the normal course of business. Most of the Plan is dedicated to helping Valley District manage a more extreme emergency like a major earthquake where all communication is lost. In a more extreme emergency, the Plan would help Valley District shift its entire business focus to overcoming the emergency. This shift in focus begins with the Board declaring an emergency. The emergency declaration establishes the start date for possible financial reimbursement from the Federal Emergency Management Agency (FEMA) and also temporarily modifies the way Valley District conducts business. For example, during an extreme emergency, staff may need to hire a contractor and secure large equipment or parts to make a repair. During non-emergency times, staff would bring these items to the Board before advertising the work. During an extreme emergency, the Board delegates the authority for the staff to procure the service or product as quickly as possible and then to call a meeting of the Board, as soon as possible, to notify the Board of the expenditure. In both cases, the Board approves the work, but in a severe emergency the process is streamlined so that repairs can be made as quickly as possible.

NIMS provides standardized emergency operations training. There are various training courses for staff and also courses for Board members. The EPC ensures the Board and the staff are appropriately trained based upon their anticipated role(s) during an emergency. Because there is no way of knowing which staff members will be available in an emergency, most staff train to perform multiple roles. In addition to classroom type training, the EPC also schedules its own training exercises for staff. These exercises take place around a table or can be more involved, requiring staff to respond to a fictitious emergency that requires them to implement the Plan out in the field.

Having the appropriate equipment and supplies available during an extreme emergency is very important. The EPC regularly evaluates its equipment and supplies to ensure that Valley District will be ready in an extreme emergency. Some examples include:

Shelter and food: in an extreme emergency, staff may not be able to drive back and forth to their homes. If this should occur, staff would need to stay, as long as necessary, at a Valley District facility that is stocked with food and other supplies while they are managing the emergency.

Communications: in an extreme emergency, regular communication methods, like cellular phones, may not be available. To overcome this issue, Valley District has
obtained satellite phones that allow communication when cell towers are not available. Some staff are also trained in HAM radio (amateur radio) which does not depend on the regular communication network.

Gasoline: in an extreme emergency, commercial gas stations may not be available for some time. For this reason, Valley District has contracted with San Bernardino County so that we can fill up our District vehicles at their fueling station located in the City of San Bernardino.

Mutual Aid: Valley District is a member of the California Water/Wastewater Agency Response Network (WARN) and the Emergency Response Network of the Inland Empire (ERNIE). Both of these networks facilitate mutual assistance during an extreme emergency. Members of these networks can make a request for supplies, equipment and/or personnel, and the other participating agencies provide assistance as they are able. ERNIE meets regularly and occasionally schedules training. Staff have been participating in weekly ERNIE calls since the start of the COVID-19 pandemic.

Valley District’s Plan addresses extreme emergencies that require the District to quickly shift focus of its entire mission to the emergency. (The COVID-19 pandemic is not considered extreme because it is able to be managed by staff, along with the other business of the District.) The EPC is planning to modify the Plan, as necessary, to include a new emergency type that requires the District to work from home and plans to use the Business Continuity Plan and lessons learned from the COVID-19 pandemic.

Fiscal Impact
There is no fiscal impact related to this item.

Staff Recommendation
Receive and file.

Attachment (Link)
(https://sbvmwd.sharefile.com/share/view/s9eb4faaffc1425ba)
DATE: June 9, 2020

TO: Board of Directors Workshop - Engineering

FROM: Bob Tincher, Deputy General Manager - Resources

SUBJECT: Consider Purchase of State Water Project Turnout WR-23 to Use to Recharge the Colton and Riverside North Groundwater Basins

At a Board of Directors Workshop on October 9, 2018, staff outlined the options available to increase the groundwater level in the Colton and Riverside North Basins which recently fell below the 1969 Western-San Bernardino Judgment (Judgment) threshold for the first time in 2018 since the Judgment was signed. Due to the continuing dry conditions and somewhat increased groundwater production in these basins, the groundwater level continues to be below the threshold.

Valley District Staff have been working with the other member of the Watermaster, Western Municipal Water District (WMWD), to develop an action plan to restore groundwater levels (see attached). One of the actions on this plan is to utilize WMWD’s Turnout WR-23 (WR-23) to recharge State Water Project (SWP) water into the Colton and Riverside North basins (see attached location map). Staff is recommending that the Board consider purchasing WR-23 from WMWD and Metropolitan Water District of Southern California (MWDSC) per the terms of the attached agreements at a total cost of $128,055.37. Should the Board decide to purchase WR-23, a joint agreement with the Department of Water Resources (DWR) and MWDSC must also be executed to formally notify DWR that ownership of the turnout has changed to Valley District and to outline the procedure for MWDSC to use the turnout in the future. The final draft of this joint agreement is attached and is expected to be finalized soon. DWR is also requiring the
attached Notice of Exemption under the California Environmental Quality Act. Staff is recommending the purchase of WR-23.

**Background:**
Under the terms of the Judgment, the average of groundwater levels in three index wells, which are generally located along the Santa Ana River in south Colton, must not fall below 822.04 ft above mean sea level (AMSL). Due mostly to our current, twenty plus year drought and somewhat increased groundwater production in this area, the average groundwater level of the index wells has been below the threshold for the last two years. When this condition occurs, the Judgment allows the Riverside Entities to immediately shift their pumping from the Colton and Riverside Basins to the San Bernardino Basin Area until the average water level is back in compliance with the Judgment.

In addition to the option for the Riverside Entities to shift production out of the Colton and Riverside basins, Staff have also been investigating the possibility of recharging water in the vicinity of the index wells. The most feasible option, in this area, is to recharge SWP water at WR-23. Valley District already owns 25 cubic feet per second (cfs) capacity in the Santa Ana Valley Pipeline that could be used to transport SWP water to WR-23. This turnout has not been in service for many years but was recently rehabilitated by WMWD at a cost of $128,055.37 because Valley District indicated a desire to use the turnout. Since WMWD has not used the turnout for many years, Valley District staff inquired about the possible purchase of WR-23 from WMWD and MWDSC. Staff from both agencies are supportive of selling WR-23 subject to the terms and conditions in the attached agreements. Both agencies are also willing to forego any capital compensation in exchange for possible use of WR-23 in the future. WMWD is requesting reimbursement for the recent, rehabilitation costs which were performed for Valley District’s benefit. In addition to the rehabilitation costs, there will also be costs to integrate this facility into Valley District’s system which are estimated to be about $365,000 and costs to integrate this facility into the State Water Project (DWR costs) of about $60,000. Collectively, the total cost is estimated to be around $553,000.

Staff views the ability to recharge SWP water at Turnout WR-23 as one part of the attached, comprehensive action plan to restore water levels in this area and recommends the purchase of WR-23.
**Fiscal Impact:**
The total cost to acquire Turnout WR-23 from MWDSC and Western, per the terms of the attached agreements, and to integrate it into the Valley District system and the State Water Project (DWR costs) is about $553,000. The cost of this project is included in the proposed Fiscal Year 2020-2021 budget.

**Staff Recommendation:**
Forward this recommendation to acquire Turnout WR-23 from WMWD and MWDSC at a total cost to Valley District of about $553,000 to the Board of Directors for consideration. Approval of this purchase would require the Board to:
1. Approve the agreement with MWDSC and WMWD
2. Approve the agreement with MWDSC and DWR
3. File a Notice of Exemption

**Attachments:**
1. WR-23 Turnout location map and aerial view
2. Action Plan for Colton Basin Area and Riverside North Basin Water Levels
3. MWDSC Request to transfer WR-23 to Valley District
4. DWR Turnout Re-authorization Cost
5. DWR Invoice to Valley District for Re-Authorization Cost
6. Transfer Agreement with MWDSC and Western
7. Final Draft of Agreement with MWDSC and DWR
8. Notice of Exemption under the California Environmental Quality Act for the transfer of WR-23
WR-23 Turnout Aerial View

Santa Ana Pipeline

Blow off

WR-23
### Western-San Bernardino Judgment
**Colton Basin Area and Riverside Basin in San Bernardino County**

**Action Plan to Comply with Water Level Requirements**

<table>
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<th>“Tool”</th>
<th>Status</th>
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<td>Riverside Entities may shift their pumping to the SBBA until water levels are in compliance</td>
<td>Riverside Entities may request this option at any time</td>
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<td><strong>Near-term</strong></td>
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| **Valley District recharges Santa Ana River with SWP from WR-23** | 1. Valley District proposing to purchase WR-23 from MWDSC and WMWD. Expected completion by summer 2020.  
2. Agreement with MWDSC and DWR also required and expected to be complete by summer 2020. |
| Groundwater modeling to determine the amount of water needed to increase water levels in Colton Basin Area and Riverside Basin Area in SB County | Proposal to be presented to the Board of Directors in June 2020 |
| **Rialto-Colton Basin Groundwater Council** | 1. Agreement is being circulated amongst the parties should be complete by summer 2020.  
2. They plan to prepare a groundwater sustainability plan (2021-22).  
3. Will result in more recharge in this basin |
| **Cactus Basins** | Valley District funded recharge improvements in the Cactus detention basins owned by flood control. Will result in additional stormwater capture and facilitate SWP recharge. **Complete 2021** |
| **Warm Creek Basins** | Valley District attempting to purchase these basins from Flood Control. Flood Control doing a “best value” analysis. Would require a new turnout to deliver SWP water for recharge. |
| **Imported water purchase by Fontana Water Company** | Under the settlement of the lawsuit with Fontana Water Company (FWC), FWC must purchase 61,000 acre-feet of water outside of Valley District’s supply of SWP water or surplus to Valley District’s needs for recharge into the Rialto-Colton basin. Valley District is looking for potential supplies |

| **Long-term** | | |
| Riverside North Aquifer Storage and Recovery Project | Preliminary design complete. Working on permits through the Upper Santa Ana River HCP |
April 1, 2020

Mr. Pedro Villalobos  
Chief  
State Water Project Analysis Office  
Department of Water Resources  
P.O. Box 942836  
Sacramento, CA 94236-0001

Dear Mr. Villalobos:

Request for Transfer of Santa Ana River Turnout (WR-23)

On July 5, 2019, The Metropolitan Water District of Southern California (Metropolitan) sent a letter to the California Department of Water Resources (DWR) requesting reactivation of the Santa Ana River Turnout, which is also known as Metropolitan Service Connection WR-23 (WR-23). This letter supersedes that request. Metropolitan formally requests transfer of WR-23, to San Bernardino Valley Municipal Water District (Valley District) – another State Water Project contractor. WR-23 is located off of DWR’s Santa Ana Pipeline (Attachments 1 and 2) in the city of Colton, within the boundary of Valley District, and has a rated capacity of 40 cubic feet per second (cfs). Valley District has participation rights of 25 cfs in the Santa Ana Pipeline up to, and beyond, WR-23.

In response to your August 14, 2019, letter outlining the steps needed for the WR-23 reactivation, Metropolitan further discussed the project with both Valley District and Western. Based on those discussions, all parties have agreed that the transfer of WR-23 to Valley District would be the best course of action. Metropolitan and DWR are parties to an Agreement, dated November 26, 1973, for the construction, operation and maintenance of the WR-23 Turnout. Metropolitan recognizes that DWR's consent would be required to transfer Metropolitan's rights and obligations under the 1973 Agreement to Valley District.

A draft term sheet (Attachment 3) has been prepared and the parties are working on a three-party agreement for the transfer of WR-23 to Valley District. At the moment of transfer, pending DWR's approval, Valley District would assume responsibility of all aspects of ownership, operation, and maintenance for WR-23, including acquiring any necessary easements and permits. In addition, Valley District would allow Metropolitan to deliver its SWP water to Western at WR-23 at no cost.
Western has conducted work on the WR-23 vault over the last 6-9 months. A final report summarizing all the mechanical and electrical upgrades will be made available to DWR. The attached original as-built drawings (Attachment 4 - Sectional Plan A-A”) indicate the facilities owned by Metropolitan and Western which are to be transferred to Valley District. A high-resolution large-scale electronic version of Attachment 4 will be emailed to DWR for your records. Valley District has indicated that they are willing to provide the funds that DWR requested from Metropolitan in DWR’s August 14, 2019, letter outlining steps needed for reactivation.

If you have questions or would like to discuss further, please do not hesitate to contact Jack Safely at 213-217-6005 or via email at jsafely@mwdh2o.com.

Very truly yours,

Brad Coffey
Manager, Water Resource Management

Enclosures (4)

cc: Ms. Heather Dyer
General Manager
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408

Mr. Lincoln King
State Water Project Analysis Office
Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236-0001

Mr. Craig D. Miller
General Manager
Western Municipal Water District
14205 Meridian Parkway
Riverside, CA 92518
Mr. Pedro Villalobos
Page 2
April 1, 2020

Mr. Ryan Shaw
Director of Water Resources
Western Municipal Water District
14205 Meridian Parkway
Riverside, CA 92518

Mr. Robert Tincher
Deputy General Manager - Resources
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408
Attachment 2 – WR-23 Turnout Aerial View

Santa Ana Pipeline
Blow off
WR-23
1. Recitals
   a. Metropolitan Water District of Southern California (Metropolitan) is a State Water Contractor (SWC) that participated in the financing of the construction of the State Water Project (SWP).
   b. The Department of Water Resources (DWR) owns and operates the SWP.
   c. Western Municipal Water District (Western) is a member agency of Metropolitan.
   d. San Bernardino Valley Municipal Water District (Valley District) is a SWC that participated in the financing of the construction of the SWP.
   e. Western and Valley District are Watermasters for the Western-San Bernardino Judgment (Judgment) that resulted from the adjudication of the water rights in the San Bernardino Basin, Colton Basin and Riverside Basin Areas.
   f. The Santa Ana River Turnout, also known as Service Connection WR-23 (WR-23), is located at approximate Milepost 423.76, in Pool 69, Repayment Reach 28G, of the State Water Project Santa Ana Pipeline.
   g. Both Western and Valley District have potential recharge obligations, under the Judgment, in the Colton Basin and Riverside Basin Areas that can be fulfilled by deliveries of SWP water at WR-23.
   h. Western constructed WR-23 as a possible delivery point to fulfill any recharge obligations it may have under the Judgment.
   i. Metropolitan owns a spool piece of pipe approximately 5 feet in length, which connects DWR's facilities to Western's facilities (Pipe Spool).
   j. Western owns the WR-23 facilities, connected to and downstream of Metropolitan's Pipe Spool, which generally consist of a head-breaking apparatus and discharge pipeline to the Santa Ana River.
   k. DWR owns the WR-23 facilities connected to and upstream of Metropolitan's Pipe Spool, which generally consist of turnout connection from the Santa Ana Valley Pipeline and the flow meter. References to WR-23 generally include the Pipe Spool unless expressly stated otherwise.
   l. Valley District believes that it will have continued need to utilize WR-23 to fulfill its recharge obligations in the future.
   m. Western believes that Valley District will likely have a greater need for WR-23 and is willing to transfer WR-23, including all ongoing operations and maintenance expenses, to Valley District per the terms contained in this agreement.
   n. Western and Metropolitan would like to maintain the ability to utilize WR-23 in the future.
Attachment 3 – Santa Ana River Turnout (WR-23) Transfer Agreement Term Sheet

2. Terms
   a. Valley District agrees to pay Western $______ for the value of its WR-23 facilities and the cost paid to rehabilitate WR-23.
   b. Metropolitan hereby transfers its ownership of the Pipe Spool to Valley District pending DWR’s approval.
   c. Metropolitan and Western are selling their interests in the Pipe Spool and WR-23 “AS IS” and make no warranties of any kind as to these facilities, including any warranties as to (1) Metropolitan’s and Western’s interests in the Pipe Spool or WR-23; (2) the condition or suitability of these facilities for Valley District’s use; or (3) Valley District’s right to use the turnout.
   d. Valley District acknowledges that the sale is “AS IS” and agrees to waive and release Metropolitan and Western from any claims related to their use of WR-23 known or unknown.
   e. As of the date of sale, Valley District takes sole control and ownership of the Pipe Spool and WR-23, and neither Metropolitan nor Western will have any further obligations with respect to the Pipe Spool or WR-23.
   f. Valley District agrees to indemnify, defend, and hold harmless Metropolitan and Western, its members, agents, assigns, or successors from any claims related to or arising out of the ownership, operation, maintenance or use of the Pipe Spool or WR-23.
   g. In lieu of paying Metropolitan for its interest in WR-23, Valley District grants Metropolitan the right to utilize WR-23 to deliver SWP water to Western at any time in the future, for any duration, subject to coordination with Valley District, at no cost to Metropolitan.
   h. Western hereby transfers its ownership of the turnout facilities to Valley District in exchange for the right to utilize WR-23 to deliver SWP water at any time in the future, for any duration, subject to coordination with Valley District and Metropolitan, at no cost to Western.
   i. Valley District is responsible to work with appropriate parties to secure the rights-of-way for the land for WR-23.
   j. Once WR-23 is transferred to Valley District, Valley District agrees to assume ownership, control, and all of the obligations and costs to operate and maintain WR-23, including working with DWR for calibration and maintenance of the flow meter, at no expense to Metropolitan and Western.
   k. Metropolitan and Valley District agree to work cooperatively with the Department of Water Resources on a companion agreement that would enable Metropolitan and Western to use WR-23 in the future, after it has been transferred to Valley District.
AUG 14 2019

Mr. Bradley Coffey
Group Manager
Water Resource Management Group
Attn: Mr. David Reukema
The Metropolitan Water District of Southern California
Post Office Box 54153
Los Angeles, California 90054-0153

This is in response to your July 5, 2019 request letter, on behalf of your member agency Western Municipal Water District for reactivation of the Santa Ana River Turnout, which is also known as Service Connection WR-23 (WR-23). WR-23 is located at approximate Milepost 423.76, in Pool 69, Repayment Reach 28G, of the California Aqueduct’s Santa Ana Pipeline.

In order to modify and receive future deliveries through this turnout, the Department of Water Resources (DWR) must approve design drawings and specifications, and execute a modification, operation and maintenance agreement. In general, the required sequence of steps to accomplish DWR’s review and approval of construction plans and execution of a permanent agreement are as follows:

1. The Metropolitan Water District of Southern California (Metropolitan) must submit a written request to DWR providing a description of the proposed turnout project including the following information:
   - Conceptual plan and profile of the turnout facilities;
   - Anticipated maximum and minimum flow rates in cubic feet per second;
   - Anticipated maximum monthly water delivery in acre-feet;
   - Estimated start date for water delivery through the permanent turnout; and
   - Authorization for DWR to bill Metropolitan for review costs incurred by DWR. Initially, DWR requests authorization of $60,000 to complete the project. Recently completed projects, over the past several years, have varied between $40,000 to over $400,000. DWR’s initial estimate of $60,000 is broken down roughly as follows:
     - $15,000 for the initial review and approval process;
     - $15,000 for administrative activities, which includes final review and approval of all required documents and preparation of a modification, operation and maintenance agreement;
     - $25,000 for construction inspection activities; and
     - $5,000 for project closeout activities.
Depending on the complexity project changes or additions to project plans may result in additional review time and costs. We will inform Metropolitan if charges are approaching the estimated amount so that additional costs may be authorized, if necessary.

2. Upon receiving Metropolitan’s authorization for DWR to invoice for $60,000 in anticipated costs, DWR will set up a chargeable account to track all work performed and will assign staff reviewers. Staff review of the initial request will generally include consideration of the following:
   - All features and structures of the turnout connection;
   - Anticipated construction activities within DWR’s right-of-way;
   - Access roads required during the modification, operation and maintenance phases;
   - Access to an electric power source; and
   - Hydraulic devices and their appurtenances;

3. Metropolitan shall furnish design drawings, specifications, data or calculations, as requested by DWR, for written approval prior to performing any turnout modifications. DWR requires approximately four to six weeks to review each submittal, and will provide comments to Metropolitan upon completion of each review. Metropolitan will incorporate DWR’s comments into updated plans and specifications for review. Additional review time will be required for each submittal. Drawings, specifications, data, and calculations shall be submitted in a sequence that will allow their review and approval in an orderly and timely manner. The final plans and specifications must be approved by DWR prior to Metropolitan’s award of a construction contract.

4. The Lead Agency is responsible for complying with all applicable environmental laws and regulations. Metropolitan must provide written proof to DWR that all such laws have been complied with. To assist with this, DWR has enclosed the “Contract Information Form” for Metropolitan to complete. The completed form is to be submitted along with any backup documentation that the Lead Agency or Metropolitan may have. DWR will not process the agreement (described below in Number 5) for the modification, operation and maintenance of the existing turnout until this step is completed.

5. Prior to modification, DWR will prepare an agreement between DWR and Metropolitan for the modification, operation and maintenance of the existing turnout and will send copies to Metropolitan for signature. Metropolitan must return all signed copies and, if necessary, a Board of Director’s Resolution of Authorization. After final execution by DWR, a copy of the agreement will be returned to Metropolitan.
Typically, the process takes approximately four months from the date of receipt of the environmental documents through obtaining an executed agreement.

6. Prior to the start of construction modification, Metropolitan must provide DWR with the following:
   - Proof of insurance coverage;
   - Date the construction contract was awarded;
   - Construction schedule; and
   - Date of entry onto DWR's right-of-way.

7. DWR will inspect the turnout construction modification to ensure compliance with approved plans and specifications within DWR's right-of-way, resolve any technical issues, and perform meter calibration.

8. When construction modifications of the turnout have been satisfactorily completed, Metropolitan must furnish a set of reproducible as-built drawings for DWR's review. After the as-buils have been reviewed and approved, DWR will prepare a formal Statement of Acceptance of the turnout that will be sent to Metropolitan.

9. DWR may send an invoice to Metropolitan, at any time, for all work completed to date, or in advance for anticipated costs. DWR will send a final invoice, or refund any remaining balance, after the project has been completed. Payment will be due 30 days after the date of any invoice.

Please provide the required information as soon as possible so that we may begin review of the turnout modifications and initiate the agreement. If you have any questions or need additional information, you may call me at (916) 653-4313 or Lincoln King of my staff at (916) 653-4389.

Sincerely,

[Signature]

Pedro Villalobos, Chief
State Water Project Analysis Office

Enclosure

cc: (See attached list.)
cc:  Mr. Jack Safely  
Imported Supply Unit Manager  
The Metropolitan Water District of Southern California  
Post Office Box 54153  
Los Angeles, California 90054-0153

Mr. Craig D. Miller  
General Manager  
Western Municipal Water District  
14205 Meridian Parkway  
Riverside, California 92518

Mr. Ryan Shaw  
Director of Water Resources  
Western Municipal Water District  
14205 Meridian Parkway  
Riverside, California 92518

Mr. Douglas Headrick  
General Manager  
San Bernardino Valley Municipal Water District  
380 East Vanderbilt Way  
San Bernardino, California 92408
Ms. Heather Dyer
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408-3593

Invoice No. 20-208-U
Date April 30, 2020
Customer # 86

Authority: Letter dated April 1, 2020, The Metropolitan Water District of Southern California (Metropolitan) sent a letter to the California Department of Water Resources (DWR) requesting the transfer of their Santa Ana River Turnout, which is also known as Western Retail-23 (WR-23), to the San Bernardino Valley Municipal Water District (Valley District) at approximate Milepost 423.76, in Pool 69 and Repayment Reach 28G of the California Aqueduct.

Type Billing: Delivery Structure Advance

Per Article 10 (d) of the Long-term Water Supply Contract:

Advance for Turnout Related Cost $ 60,000

Total Amount Due May 30, 2020

$ 60,000

APPROVE FOR PAYMENT

Initials ___________________________
Date ___________________________

Project Name WR-23
Project Number 1698
Invoice to be billed to other Entity [ ]
Entity Name ___________________________

% split or EBX Reach # ___________________________

DATA INPUT: 1600000403/ Fund 0502RRR001 Text: S20208261000 SBE 423.76
AGREEMENT BETWEEN
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, AND
WESTERN MUNICIPAL WATER DISTRICT
FOR TRANSFER OF INTERESTS IN THE SANTA ANA VALLEY TURNOUT
AGREEMENT NO. A0-5255

This Agreement is between THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA, a public agency of the State of California, organized and existing
under The Metropolitan Water District Act of the State of California, hereinafter referred to as
“Metropolitan”, SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, hereinafter
called “Valley District,” and WESTERN MUNICIPAL WATER DISTRICT, hereinafter called
“Western.” As used in this Agreement, “Party” or “Parties” means a signatory to this
Agreement.

Explanatory Recitals

1. Metropolitan is a public agency of the State of California engaged in transporting,
storing, and distributing water in the counties of Los Angeles, Orange, Riverside, San Diego, San
Bernardino, and Ventura, within the State of California.

2. Valley District is a public agency of the State of California engaged in
transporting, storing, and distributing water in the county of San Bernardino within the State of
California. Valley District serves as part of the Western-San Bernardino Watermaster that is
responsible for the management of local water resources in the Upper Santa Ana River
Watershed and also as part of the Santa Ana River Watermaster that is responsible for the
management of the local water resources flowing in the Santa Ana River.
3. Western is a municipal water district formed under Water Code Section 71000 et seq., and imports water from Metropolitan for delivery to wholesale and retail customers.

4. DWR is authorized to construct, operate, and maintain facilities for the storage and conveyance of water to Metropolitan and Valley District’s service areas.

5. Metropolitan and Valley District have long-term contracts with DWR, pursuant to which project and non-project water is delivered through the California Aqueduct to their service areas.

6. The Santa Ana Valley Turnout, also known as Service Connection WR-23 hereafter “Turnout”, is located at approximately Milepost 423.76, in Pool 69, Repayment Reach 28G, of the State Water Project Santa Ana Pipeline.


8. In and about 1974, pursuant to Western’s and Metropolitan’s requests to DWR and the Original Turnout Agreement, Turnout was constructed at Western’s expense as a possible delivery point to fulfill anticipated recharge obligations it may have under the Western-San Bernardino Judgment that resulted from the adjudication of the water rights in the San Bernardino Basin, Colton Basin and Riverside Basin Areas, specifically, the judgment filed in Western Municipal Water District of Riverside County, et al. v. East San Bernardino County
9. Ownership of the Turnout is divided as follows:

   a. Metropolitan owns a spool piece of pipe approximately five feet in length, which connects DWR’s facilities to Western’s facilities (Pipe Spool).

   b. Western owns that portion of the Turnout facilities connected to and downstream of Metropolitan’s Pipe Spool, and which generally consist of a head-breaking apparatus and discharge pipeline to the Santa Ana River (Western’s Turnout Facilities).

   c. DWR holds an easement for the right-of-way for the ownership and operation of the Turnout facilities connected to and upstream of Metropolitan’s Pipe Spool, which generally consist of turnout connection from the Santa Ana Valley Pipeline and the flow meter (DWR’s Turnout Facilities).

   d. References to the Turnout generally include the Pipe Spool, as well as Western’s and DWR’s Turnout Facilities, unless expressly stated otherwise.

10. Western and Valley District are Watermasters for the Judgment, responsible for its implementation.

11. Both Western and Valley District have potential recharge obligations, under the Judgment, in the Colton Basin Area and the Riverside Basin Areas that can be fulfilled by deliveries of SWP water at the Turnout.

12. However, contrary to expectation in 1973, the Parties have not used the Turnout in subsequent years.
13. Valley District needs to utilize the Turnout to fulfill its recharge obligations under the Judgment, and desires to acquire ownership of the Turnout from Western and Metropolitan.

14. Western and Metropolitan desire to transfer their interests in the Turnout to Valley District so long as they maintain the ability to utilize the Turnout in the future, although they do not anticipate any immediate needs to do so.

15. This Agreement governs the transfer of Western’s and Metropolitan’s interests in the Turnout to Valley District.

Terms of Agreement

16. On or before the date of full execution of this Agreement, Valley District agrees to pay Western $128,055.37 as compensation for the conveyance of Western’s Turnout Facilities to Valley District. Said compensation represents the amount Western recently paid for investigation, maintenance and rehabilitation work on Western’s Turnout Facilities and shall be deemed full compensation for the value of Western’s Turnout Facilities. Upon payment of said compensation, Western shall be deemed to have thereby transferred its ownership of Western’s Turnout Facilities to Valley District.

17. Metropolitan hereby transfers its ownership of the Pipe Spool to Valley District.

18. Metropolitan and Western are transferring their interests in the Turnout “AS IS” and make no warranties of any kind as to these facilities, including any warranties as to (1) Metropolitan’s and Western’s interests in the Turnout; (2) the condition or suitability of these facilities for Valley District’s use; or (3) Valley District’s right to use the Turnout.
19. Valley District acknowledges that the sale is “AS IS” and agrees to waive and release Metropolitan and Western from any claims related to their use of the Turnout known or unknown. Valley District expressly agrees that all rights under Section 1542 of the California Civil Code and any similar law are hereby expressly waived.

20. Upon execution of this Agreement, Valley District takes sole control and ownership of the Turnout, and neither Metropolitan nor Western will have any further obligations with respect to the Turnout. However, Metropolitan and Western shall have the rights as set forth in paragraphs 22 and 23 of this Agreement.

21. Valley District shall defend, indemnify, and hold harmless Metropolitan, Western, their Board of Directors, officers, and employees from and against all claims, suits, or causes of action for injury to any person or damage to any property arising out of, pertaining to, or related to its ownership, operation, maintenance, or use of the Turnout.

22. In lieu of paying Metropolitan for its interest in the Turnout, Valley District grants Metropolitan the right to utilize the Turnout to deliver SWP water to Western at any time in the future, for any duration, subject to coordination with Valley District, at no cost to Metropolitan.

23. Western hereby transfers its ownership of the turnout facilities to Valley District in exchange for the right to utilize the Turnout to deliver SWP water at any time in the future, for any duration, subject to coordination with Valley District and Metropolitan, at no cost to Western. Western may exercise its rights hereunder upon providing notice to Valley District and Metropolitan of the timing and extent of such use. In the event there is a need for coordination, the applicable Parties shall resolve any issues in a reasonably diligent manner.
24. Valley District is solely responsible to work with the appropriate parties to secure the rights-of-way for the Turnout that may be necessary for Valley District’s ownership and operation of the Turnout.

25. Upon execution of this Agreement, Valley District assumes sole ownership, control, and all of the obligations and costs to operate and maintain the Turnout, including working with DWR for calibration and maintenance of the flow meter, at no expense to Metropolitan and Western.

26. Western, Metropolitan, and Valley District agree to work cooperatively to obtain an agreement with DWR that may be necessary to enable Metropolitan and Western to use the DWR’s Turnout Facilities in the future.

27. This Agreement is intended to supersede the provisions of the Original Turnout Agreement as they apply to Western, Metropolitan, and DWR. Metropolitan shall coordinate with DWR, in a reasonably diligent manner, to terminate the Original Turnout Agreement.

28. This Agreement is contingent on DWR and Valley District entering into a new turnout agreement that shall govern any and all future deliveries to the Turnout.

29. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same Agreement.

30. This Agreement shall be effective as of the date of the last signature below.
IN WITNESS WHEREOF, the parties have hereunto affixed their names.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: _______________________________ Date: ________________

Approved As To Form

By: _______________________________

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _______________________________ Date: ________________

Approved As To Form

By: _______________________________

WESTERN MUNICIPAL WATER DISTRICT

By: _______________________________ Date: ________________

Approved As To Form

By: _______________________________
State of California
California Natural Resources Agency
DEPARTMENT OF WATER RESOURCES

AGREEMENT AMONG
THE DEPARTMENT OF WATER RESOURCES
OF THE STATE OF CALIFORNIA,
THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA, AND
SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT
FOR CONSTRUCTION, OPERATION
AND MAINTENANCE OF THE
SANTA ANA RIVER TURNOUT,
A PERMANENT TURNOUT WITHIN
THE CALIFORNIA AQUEDUCT RIGHT-OF-WAY

SWPAO #20601
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Exhibit A: Site Plan
Exhibit B: As-Built
State of California
California Natural Resources Agency
DEPARTMENT OF WATER RESOURCES

AGREEMENT AMONG
THE DEPARTMENT OF WATER RESOURCES
OF THE STATE OF CALIFORNIA,
THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA, AND
SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT
FOR CONSTRUCTION, OPERATION
AND MAINTENANCE OF THE
SANTA ANA RIVER TURNOUT,
A PERMANENT TURNOUT WITHIN
THE CALIFORNIA AQUEDUCT RIGHT-OF-WAY

SWPAO #20601

THIS AGREEMENT is made this _________ day of ________________, 2020,
pursuant to the provisions of the California Water Resources Development Bond Act,
the State Central Valley Project Act, and other applicable laws of the State of California,
among the Department of Water Resources of the State of California, hereinafter called
"DWR", The Metropolitan Water District of Southern California, hereinafter called
"Metropolitan", and San Bernardino Valley Municipal Water District, hereinafter called
"Valley District". As used in this Agreement, "Party" or "Parties" means a signatory to
this Agreement.
RECITALS

A. DWR is authorized to construct, operate and maintain facilities for the storage and conveyance of water, certain of which facilities will make water available to Metropolitan's and Valley District’s service areas.

B. Metropolitan and Valley District have contracted with DWR for State Water Project (SWP) water service and other water deliveries under their respective long-term water supply contracts, with supplies to be delivered through the California Aqueduct to their service areas. SWP supplies are not the sole source of water for either Metropolitan or Valley District.

C. Metropolitan and Valley District have developed, and are developing, facilities to provide water to their landowners and residents for irrigation and municipal and industrial uses.

D. DWR and Metropolitan entered into an “Agreement between the State of California Department of Water Resources and The Metropolitan Water District of Southern California to Enable Construction, Operation and Maintenance of Works to Receive Delivery of Water from the State Water Resources Development System (Santa Ana Valley Turnout)” on November 26, 1973, hereinafter called “1973 Agreement”. The Santa Ana Valley Turnout is more commonly and hereinafter referred to as the Santa Ana River Turnout, but is also
known as Service Connection Western Retail-23, or WR-23, Turnout.

Metropolitan, pursuant to the 1973 Agreement, entered into an agreement with Western Municipal Water District, a member agency of Metropolitan, for the construction of the Santa Ana River Turnout. Metropolitan has only used the Santa Ana River Turnout to deliver SWP water in 1973.

E. Metropolitan has requested DWR’s approval to transfer ownership of the Santa Ana River Turnout and all of Metropolitan’s rights and obligations under the 1973 Agreement to Valley District, so that Valley District can use the Santa Ana River Turnout to fulfill its potential recharge obligations under the Western-San Bernardino Judgment, hereinafter called “Judgment,” that resulted from the adjudication of the natural water supply, both surface water and groundwater, in the San Bernardino Basin, Colton Basin and Riverside Basin Areas.

F. Valley District and Western Municipal Water District, a member agency of Metropolitan, are both Watermasters for the Judgment and responsible for its implementation. Metropolitan may request, on behalf of Western Municipal Water District, future water deliveries through the Santa Ana River Turnout in order to fulfill its recharge obligations. However, such future water deliveries may require that the Parties first enter into separate agreements.

G. DWR is willing to approve the transfer of ownership of the Santa Ana River Turnout from Metropolitan to Valley District, to terminate the 1973 Agreement,
and to enter into a new agreement addressing construction, operation and maintenance of the Santa Ana River Turnout, subject to all the terms and conditions contained in this Agreement.

H. On <Date>, Valley District, as lead agency under the California Environmental Quality Act (CEQA), determined that the transfer and reactivation of the Santa Ana River Turnout was exempt from CEQA pursuant to <CEQA Section>. A Notice of Exemption (NOE) was adopted and filed on <Date> with San Bernardino County and the State Clearinghouse Office of Planning and Research. DWR, as a responsible agency, has considered these documents prior to entering into this Agreement and will file a NOE <with findings?> upon execution of this Agreement.
AGREEMENT

STANDARD PROVISIONS

This Agreement governs DWR’s approval of the transfer of ownership of the Santa Ana River Turnout from Metropolitan to Valley District, and the Parties’ rights and obligations related to construction activities and operation and maintenance of Valley District’s Santa Ana River Turnout. As used in this Agreement, “construction” means both construction of new facilities and construction of improvements or modifications to existing facilities.

1. PRIOR CONSTRUCTION, OPERATION AND MAINTENANCE AGREEMENTS
   This Agreement terminates the 1973 Agreement between DWR and Metropolitan, which shall have no further force or effect.

2. PRIOR RIGHTS
   Except as provided for in Article 1, this Agreement is subject to all prior rights contained in unexpired permits, agreements, easements, or other prior rights whether recorded or unrecorded to the real property affected by this Agreement. If needed, Metropolitan and Valley District shall make their own arrangements with holders of such prior rights.
3. LOCATION AND DESCRIPTION

The Santa Ana River Turnout is an existing turnout, located at approximately Milepost 423.76, in Repayment Reach 28G and Pool 69 of the California Aqueduct's Santa Ana Valley Pipeline. Facilities located within DWR's right-of-way, identified as Parcel 1 in Exhibit A, consist of a 24-inch steel pipe, a meter vault containing a venturi flowmeter, a pipe spool previously owned by Metropolitan and subject to a transfer to Valley District, and a portion of the pressure reducing facility previously owned by Western Municipal Water District, a member agency of Metropolitan, which is also subject to a transfer to Valley District. Facilities located beyond DWR's right-of-way, identified as Parcel 2 in Exhibit A, which were previously owned by Western Municipal Water District and are subject to a transfer to Valley District, include the remaining portion of the pressure reducing facility, conical energy dissipator, and an outlet structure that discharges the water into the Santa Ana River channel. The design capacity of the turnout is 40 cubic feet per second (cfs). Exhibit A shows a site plan of the Santa Ana River Turnout that identifies facilities in Parcels 1 and 2, while Exhibit B shows an as-built drawing of the Santa Ana River Turnout.

4. RIGHTS OF ACCESS

(a) DWR grants to Valley District permission to enter upon DWR's right-of-way of the California Aqueduct situated in San Bernardino County, California, to construct, operate and maintain the Santa Ana River Turnout facility at Milepost 423.76. The right of access is limited to that portion of
DWR’s right-of-way, identified as Parcel 1 in Exhibit A, as is reasonably necessary to construct, operate and maintain the facilities that will convey water delivered to Valley District and/or Metropolitan by DWR. Valley District’s access shall not be conducted in any way that would interfere with DWR activities in DWR’s right-of-way. For the purposes of observation, inspection, operation and maintenance, DWR shall always have right of access to the Santa Ana River Turnout facilities, including the meter vault and related communications equipment and data, constructed or produced under this Agreement.

Valley District shall secure written approval from DWR’s Chief of the Southern Field Division, at (661) 944-8501, prior to making any physical construction or modifications to the Santa Ana River Turnout, or entering upon DWR’s right-of-way to perform normal maintenance. Valley District’s right of entry shall be limited to that portion of DWR’s property as is reasonably necessary to accomplish the work authorized under this Agreement.

(b) DWR has certain permanent rights within the property identified as Parcel 2 in Exhibit A for the construction, operation and maintenance of the California Aqueduct pursuant to a Construction, Operation and Maintenance Agreement between the Department of Water Resources and the San Bernardino County Flood Control District. DWR hereby
consents to a grant of an easement or other access rights in Parcel 2 to Valley District by San Bernardino County Flood Control District for the construction, operation and maintenance of the Santa Ana River Turnout facilities located within Parcel 2.

5. **DWR'S MAINTENANCE AND REPAIRS**

DWR may, at any time during construction, operation or maintenance of the Santa Ana River Turnout, perform or cause the performance of any work it deems necessary, by its forces or other contractors, at or near the work site. Valley District shall cooperate with such forces or other contractors, conduct its operations in such manner as to not cause any unnecessary delay or hindrance of the other contractors' work, and adjust and coordinate its work with the other contractors to permit proper completion of all work in the area.

When DWR, Valley District, or any of their contractors or subcontractors are performing work on the turnout facilities within DWR's right-of-way, or are sharing material sources, storage area or disposal area for such work, Valley District shall be responsible to DWR, its forces, contractors or subcontractors for any injury, damage or loss caused by the operations of Valley District or by the unnecessary delay or hindrance of the work of DWR’s forces, contractors or subcontractors.
6. **VALLEY DISTRICT’S REPAIRS TO STATE FACILITIES**

Valley District shall remedy any actual or threatened impairment or damage to DWR’s facilities or right-of-way caused by exercise of their rights under this Agreement, including any abandoned work, and all impairment or damage to DWR facilities that would not have occurred had such work not been done, or facilities not been constructed, under this Agreement. In the event Valley District fails to undertake such repair or removal, or elects to have DWR undertake such repair or removal, DWR, after giving reasonable notice to Valley District, may arrange for the necessary repair or removal, and Valley District shall reimburse DWR the full cost of such repair or removal. DWR may require an advance deposit sufficient to pay the estimated cost of the repair or removal. Valley District shall furnish this deposit upon request.

7. **COSTS AND INVOICING**

Valley District is responsible for and shall pay all costs incurred by DWR that are properly attributable to the work authorized under this Agreement. Valley District agrees to pay DWR as invoiced.

(a) Costs shall include, but are not limited to, one or more of the following:

(1) Costs incurred by DWR in conducting its reviews and approvals under Article 24 of this Agreement;
(2) Costs related to the actual on-site inspection of the construction area, including salaries, travel expenses and other incidental costs of such inspection;

(3) Operation and maintenance costs of the Santa Ana River Turnout; and

(4) All other authorized costs incurred by DWR and not otherwise described in (1), (2), or (3) above.

(b) DWR will invoice for costs, or refund any excess payments, under one or more of the following methods or conditions:

(1) Prior to DWR initiating any work requested by Valley District under this Agreement, DWR may issue advance billing invoices for payment of estimated costs. Each advance billing may identify expected tasks and estimated costs for construction, operation, maintenance or other activities authorized under this Agreement;

(2) DWR may issue interim or advance billings by one or more invoices for additional estimated or actual costs;
(3) DWR will promptly refund any excess payment resulting from the advance or interim billings; or in the event a deficiency results, DWR will invoice for the extra costs; and

(4) DWR will invoice for any costs of operations and maintenance, as necessary, after completion of the Santa Ana River Turnout construction.

(c) All DWR invoices for costs incurred under this Agreement are due and payable within 30 days after the date of the invoice. Unpaid amounts of such invoices will become delinquent after the due date and interest shall accrue thereon at a rate of 1 percent per month from the date the payment was due. However, no interest shall be charged unless delinquency continues for more than 30 days.

8. CONTRACTING OFFICER OF DWR

DWR’s contracting officer shall be the Director of the Department of Water Resources of the State of California and his/her successors, or duly authorized representatives. The contracting officer shall be responsible for all discretionary acts, opinions, judgments, approvals, reviews and determinations required of DWR under this Agreement.
9. **AQUEDUCT PROTECTION**

Protection and maintenance of the integrity of the California Aqueduct, and all SWP facilities, shall be the primary concern of all Parties to this Agreement in all activities related to the construction, operation and maintenance of the Santa Ana River Turnout. If, in the judgment of DWR, any occurrence threatens the integrity of the California Aqueduct or any SWP facility during the construction, operation and maintenance of the turnout facilities, DWR may order the activity halted immediately and Valley District shall, at their sole cost, restore the site to a condition that DWR determines to be necessary, or take other action that DWR determines to be necessary to protect the facilities of the SWP. DWR shall have the option to perform any protective work directly with its own resources, in which case Valley District shall reimburse DWR for all costs incurred by DWR in performing the work.

10. **FENCES AND GATES**

Valley District shall keep all fences and gates constructed on DWR's right-of-way in good repair. After DWR's written acceptance of the completed turnout, as described in Article 30 of this Agreement, the gates and fences shall become the property of DWR and be maintained by DWR. DWR and Valley District shall keep gates closed and locked except when in actual use. Valley District shall provide DWR with keys to all lockable gates constructed by them on DWR's right-of-way.
11. WATER POLLUTION

Valley District shall not store or discard material capable of water pollution on lands or in water covered by this Agreement except within protected areas approved by DWR. Valley District shall store any such material in a manner as to prevent its discharge.

12. REASONABLE CARE

Valley District shall exercise reasonable care in performance of activities under this Agreement to ensure that DWR's facilities are not impaired or damaged.

13. NOTICES

Unless otherwise provided in this Agreement, any notice that is required either expressly or by implication to be given by any Party to any other Party or Parties under this Agreement shall be signed for DWR by, or on behalf of, its contracting officer, and for Valley District and Metropolitan by such officer(s) as are authorized in writing to so act. All communications or notices regarding this Agreement shall be deemed to have been properly given if delivered personally or if enclosed in a properly addressed and stamped envelope and deposited with the United States (U.S.) Postal Service for delivery by registered or certified mail, postage prepaid. Facsimile or electronic mail will be accepted if it is immediately followed by a written, signed notice sent by U.S. mail, postage prepaid. Except as otherwise provided in this Agreement, and or until formally notified otherwise, all notices shall be addressed to the Parties at the addresses shown below:
14. LIABILITY

(a) Valley District, their agents, employees and contractors, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees or agents of DWR. DWR assumes no liability for the activities of Valley District in the performance of this Agreement, including uses of data generated at the Santa Ana River Turnout. Valley District is responsible for all liability including, but not limited to, personal injury or property damage arising out of the facilities constructed or rights exercised under this Agreement, or arising out of Valley District’s actions under this Agreement, excepting only such injury, damage or loss caused solely by the negligence or willful misconduct of DWR, its officers, employees and agents.
(b) Valley District agrees to defend and hold DWR, its officers, employees and agents harmless from any direct or indirect loss, liability, lawsuit, cause of action, judgment or claim, and shall indemnify DWR, its officers, employees and agents from all lawsuits, costs, damages, judgments, attorneys’ fees and liabilities that DWR, its officers, employees and agents incur as a result of DWR providing services under this Agreement, except to the extent resulting from the sole negligence or willful misconduct of DWR, its officers, employees and agents.

15. OPINIONS AND DETERMINATIONS

Where the terms of this Agreement provide for actions to be based upon the opinion, judgment, approval, review or determination of any Party, such terms are to be construed as providing that such opinion, judgment, approval, review or determination be reasonable.

16. COMPLIANCE WITH ALL LAWS

In exercising its rights under this Agreement, Valley District shall, at their expense, be responsible for complying with all applicable laws and regulations, including, but not limited to: CEQA; the federal and California Endangered Species Acts; California Fish and Game Code Sections 1602-1603; the Clean Water Act; the California Occupational Safety and Health Act; and for securing any required consent, permit or order. At the request of DWR, Valley District shall
provide written proof that such consent, permit or order was properly obtained. In the event Valley District fails to comply with applicable laws or to secure required permits, DWR may terminate this Agreement.

17. **WAIVER OF RIGHTS**

Any waiver at any time by a Party of its rights with respect to a default, or any other matter arising regarding this Agreement, shall not be deemed to be a waiver with respect to any other default or matter.

18. **SUCCESSIONS AND ASSIGNS OBLIGATED**

This Agreement and all of its provisions shall apply to and bind the successors and assigns of the Parties.

19. **ASSIGNMENT**

Without the prior written consent of DWR and Valley District, this Agreement is not assignable by Valley District in whole or in part.

20. **MAINTENANCE AND INSPECTION OF BOOKS, RECORDS, AND REPORTS**

During regular office hours, each Party’s duly authorized representative shall have the right to inspect and make copies of any books, records and reports of any other Party pertaining to this Agreement. Each Party shall maintain and make available for such inspection accurate records of all its costs,
disbursements, receipts and deliveries with respect to its activities under this Agreement.

21. AMENDMENTS

This Agreement may be amended at any time by mutual agreement of DWR and Valley District. Any amendment shall be in writing and signed by both Parties.

22. NO IMPACT

This Agreement shall not be administered or interpreted in any way that would cause adverse impacts to SWP approved Table A water; SWP Article 21 water, SWP Contractors’ Article 55 water; or to any other SWP-approved water allocations, water deliveries, or SWP operations or facilities. Valley District shall be responsible, as determined by DWR, for any such adverse impacts that may result from Valley District’s actions under this Agreement.

23. DISPUTE RESOLUTION

In the event of a dispute regarding interpretation or implementation of this Agreement, the Director of DWR and the General Manager of Valley District, or their authorized representatives, shall endeavor to resolve the dispute by meeting within 30 days after the request of a Party. If the dispute remains unresolved, the Parties shall use the services of a mutually acceptable consultant in an effort to resolve the dispute. Parties involved in the dispute shall share the fees and expenses of the consultant equally. If a consultant cannot be agreed
upon, or if the consultant’s recommendations are not acceptable to the Parties, and unless the Parties otherwise agree, the matter may be resolved by litigation and any Party may, at its option, pursue any available legal remedy including, but not limited to, injunctive and other equitable relief.

**PRE-CONSTRUCTION PHASE**

24. **DRAWINGS, SPECIFICATIONS AND DATA**

To satisfy DWR's requirements for protection of the California Aqueduct and to ensure the flow measurement, control devices and related equipment meet DWR's accuracy and operational requirements, Valley District shall furnish electronic design drawings, specifications, data, or calculations, as requested by DWR, and any addenda or any substantial changes to such drawings, specifications and data to DWR for written approval prior to performance of any work under this Agreement. Valley District's drawings and specifications shall all be prepared by a registered Professional Engineer, as defined in Section 6701 of the California Business and Professions Code. Valley District shall submit changes on drawings in the same manner as the original design drawings are submitted. Such drawings, specifications and data shall be submitted in a sequence that will allow their review and approval in an orderly and timely manner.
DWR shall notify Valley District in writing of its approval or disapproval of such drawings, specifications and data. One electronic print of each drawing and one electronic copy of the specifications and data will be returned to Valley District marked “APPROVED FOR CONNECTION TO THE STATE WATER PROJECT,” “APPROVED AS NOTED FOR CONNECTION TO THE STATE WATER PROJECT,” or “DISAPPROVED.” Once the electronic drawings, specifications and data are approved by DWR, Valley District shall immediately furnish four full-size legible prints of each approved drawing set and specifications and data to:

Chief, State Water Project Analysis Office
Department of Water Resources
Post Office Box 942836
Sacramento, California 94236-0001

Or street address for overnight delivery:

Chief, State Water Project Analysis Office
Department of Water Resources
1416 9th Street, Room 1620
Sacramento, California 95814

Valley District shall not commence any construction on DWR’s right-of-way for which the drawings, specifications and data have not been approved, and legible prints not received, by DWR.

Valley District shall submit for DWR's approval a proposed construction schedule, manufacturers’ catalogs, data, copies of certificates of competence for
construction workers requiring certificates, materials certificates and test reports. Valley District shall also submit for DWR's approval any shop drawings that change items previously approved in the plans and specifications.

DWR's approval of any drawings, specifications or data shall not subject DWR to any liability, nor shall such action modify Valley District's liability under Article 14 of this Agreement. Upon completion of the facilities to be constructed under this Agreement, and prior to DWR's written acceptance of the work described in Article 30 of this Agreement, Valley District shall furnish to DWR, within 30 days of project completion, reproducible prints and electronic copies of as-built drawings for the Santa Ana River Turnout facilities or facility improvements constructed on DWR's right-of-way, including copies of all contract change orders and manufacturer manuals for operation and maintenance of devices and equipment. These as-built drawings shall contain any deviations from the approved construction drawings, including changes made by contract change orders.

Upon DWR's request, Valley District shall submit drawings and a schedule to DWR for review and approval for the installation of necessary Supervisory Control and Data Acquisition equipment for remote monitoring of turnout flows.

CONSTRUCTION PHASE
25. **INSURANCE DURING CONSTRUCTION**

(a) While this Agreement is in effect throughout the period of construction on DWR's right-of-way, and continuing until DWR's formal Statement of Acceptance as described in Article 30 of this Agreement, Valley District shall maintain and furnish to DWR evidence of insurance against all claims and liability for which Valley District may be liable under this Agreement and include DWR, its officers, employees and agents named as additional insureds in:

1. Liability insurance policies with limits of not less than $5,000,000 for each occurrence and aggregate. The policies are to provide coverage for premises operations, products/completed operations, personal/advertising injury, and independent contractors. The required coverage and limits may be provided with a combination of general liability and umbrella/excess liability policies. Umbrella or excess liability policies shall contain a clause stating the coverage takes effect (drops down) in the event the primary limits are impaired or exhausted. The aggregate limits provided by the policies shall apply on a per location or per project basis.

2. Auto liability with a limit of no less than $1,000,000 for each accident. Coverage shall be for all owned, hired, and non-owned autos.
(3) Workers' compensation insurance that satisfies California statutory limits and with employers’ liability of no less than $1,000,000. The workers’ compensation policy shall include a waiver of subrogation in favor of DWR.

(b) Such policy/policies shall not contain any provision against cross-liability between named insureds, but shall include a 45-day notice provision for termination by the insurer of such policy/policies. Valley District shall provide certificate(s) to DWR for the policy/policies upon execution of this Agreement. Valley District shall provide the additional insured endorsements for the liability and auto policies and the workers’ compensation waiver of subrogation endorsement with the certificate(s).

(c) Any policy/policies containing deductibles or providing self-insurance are subject to DWR’s advance approval.

(d) Valley District shall always maintain the required insurance coverage under this Article from the filing of the notice of entry for construction through DWR’s formal Statement of Acceptance, and DWR will not be responsible for any premiums, deductibles, or assessments on the policies. In the event such insurance coverage is due to expire at any time prior to DWR’s formal Statement of Acceptance, Valley District shall file
with DWR, at least 45 days prior to such date of expiration, a new certificate of insurance evidencing uninterrupted coverage as required in this Article. Valley District shall send new certificates of insurance to the address specified in Article 13, and they are subject to approval by DWR for compliance with the terms of this Agreement. Such approval shall be conclusively presumed in the absence of written objection by DWR within 30 days of DWR receiving the certificates from Valley District. In the event insurance coverage lapses, DWR may terminate this Agreement. For all activities performed under this Agreement in which Valley District is liable, Valley District shall be liable for the full amount even if the amount of liability exceeds the amount of the insurance policy maximum.

26. NOTICE OF ENTRY FOR CONSTRUCTION

Valley District shall notify DWR in writing at least seven days prior to entering upon any portion of DWR's right-of-way. Valley District's notice shall include the estimated start date of construction, the names and telephone numbers of Valley District's contractors responsible for the construction work, and the names and telephones numbers of Valley District's field representatives who will be available at the site. Notice shall be sent to the following DWR representative:

Chief, Southern Field Division
Department of Water Resources
Post Office Box 1187
Pearblossom, California 93553
If there are any changes in the notice of entry such as dates or names, Valley District shall notify the Chief of the Southern Field Division of the changes, at (661) 944-8555, before entering DWR’s right-of-way under this Agreement, or immediately if entry has already occurred.

27. **STANDARDS OF CONSTRUCTION**

All construction within DWR’s right-of-way shall conform to DWR’s requirements for protection of the California Aqueduct and to requirements for DWR-approved flow measuring devices. All construction shall be performed to the satisfaction of DWR.

28. **WARNING DEVICES**

Valley District shall furnish, erect and maintain fences, barriers, lights, signs and provide flag-persons or guards as are reasonably necessary to protect persons and property from the construction of the facilities under this Agreement. Valley District shall provide adequate warning of any dangerous condition to be encountered as a result thereof, or because of any right exercised or duty performed under this Agreement.

29. **LOCATION OF CONTROL CABLE(S)**

At least seven days prior to starting any excavation on DWR’s right-of-way, Valley District shall contact: (a) Underground Service Alert (USA) at (800) 422-4133 to locate buried cable(s) and underground facilities in the
construction area, and (b) DWR's Southern Field Division's Engineering Branch Supervisor at (661) 944-8568. No excavation shall be done until the cable(s) and underground facilities have been located, and prior approval has been obtained as described in Article 4. The cable(s) shall be located and exposed by potholing only through the use of hand-held tools. DWR requires the presence of its inspector throughout the cable exposure process. Valley District shall show any cables and underground facilities encountered during construction of the turnout on the as-built drawings submitted by Valley District to DWR.

30. **INSPECTION AND ACCEPTANCE**

DWR shall inspect all construction authorized by this Agreement for conformity with the approved drawings and specifications, for protection of DWR's property, and for avoidance of any interference with DWR's construction, operation and maintenance of the area. DWR shall perform inspections in such a manner as not to delay construction unnecessarily. DWR will assign an inspector and will furnish his/her name and contact information to Valley District. DWR's requirements concerning the approved drawings and specifications shall not be waived by either the inspection or the lack of inspection of any portion of such construction, nor the presence or absence of DWR's inspector during such construction. DWR may notify Valley District to halt construction if construction does not conform to DWR's requirements. Valley District shall halt construction immediately upon receipt of such notification. DWR will allow Valley District to resume construction upon meeting DWR's requirements. Valley District shall
provide inspection of the construction by a registered Professional Engineer as defined in Section 6701 of the California Business and Professions Code. DWR's representative will perform an inspection after Valley District has completed construction and site restoration.

DWR will forward a formal Statement of Acceptance to Valley District when all of the following conditions are met:

(a) DWR finds the facilities or facility improvements constructed by Valley District are satisfactory;

(b) Valley District has submitted to DWR a set of reproducible as-built drawings within 30 days of project completion that have been stamped and signed by the Professional Engineer; and

(c) Valley District has submitted to DWR all related documents under Article 24 of this Agreement.

Inspections and acceptance conducted by DWR under this Article shall not subject DWR to any liability, nor shall such actions modify or qualify Valley District's liability under Article 14 of this Agreement.
31. **BORROW, WASTE, AND STOCKPILING**

Valley District’s borrow, waste, and stockpiling will be permitted only as shown on drawings and specifications submitted to and approved by DWR’s Southern Field Division's Engineering Branch Supervisor or his/her delegated representative.

32. **DRAINAGE**

If the work under this Agreement interferes with DWR’s established drainage, Valley District shall provide for alternative drainage during construction and shall restore existing drainage after completion of each construction phase in the area, as directed by DWR.

33. **BACKFILL**

Valley District shall ensure that all backfill be moistened as necessary, and thoroughly compacted to a relative compaction equal to or greater than that of the material excavated or as otherwise required by the approved drawings or specifications.

34. **CLEANUP AFTER CONSTRUCTION**

Upon completion of any work under this Agreement, Valley District shall restore DWR’s right-of-way to a presentable condition as approved by DWR. In the event Valley District fails to restore the affected site to a presentable condition approved by DWR, DWR may do the work or cause the work to be done, and Valley District shall reimburse DWR for the full cost of the restoration.
35. **FAILURE TO BEGIN CONSTRUCTION - SITE RESTORATION**

If Valley District fails to begin construction authorized by this Agreement for a continuous period of two years following DWR's approval of drawings and specifications, or fails, neglects, or refuses to comply with any of the conditions set forth in this Agreement, all rights of Valley District described in this Agreement shall terminate upon 60 days advance notice by DWR. In the event Valley District abandons any of such construction for a continuous period of 90 days, upon 30 days advance notice from DWR, Valley District shall begin to restore the affected site to a condition approved by DWR. If Valley District fails to restore the affected site to a condition approved by DWR within 90 days after the notice, DWR may do the work or cause the work to be done, and Valley District shall reimburse DWR the full cost of the restoration.

36. **ENVIRONMENTAL CLEARANCE**

Valley District shall not enter the site for construction until after receiving notice that the site has been inspected by a DWR environmental specialist for possible environmental problems and for compliance with required mitigation measures. If listed species or species of special concern, as identified under the State or federal endangered species laws, are discovered at the site, DWR shall consult with the California Department of Fish and Wildlife and/or the U.S. Fish and Wildlife Service, as appropriate. DWR shall charge any resulting mitigation costs to Valley District as turnout costs under this Agreement.
OPERATION AND MAINTENANCE PHASE

37. OWNERSHIP, OPERATION AND MAINTENANCE OF FACILITIES

Under this Agreement, and upon DWR’s issuance of the formal Statement of Acceptance of the Santa Ana River Turnout described in Article 30, DWR will own, operate and maintain all facilities constructed, and all devices and equipment installed, within its right-of-way to the downstream end of the venturi flowmeter. Valley District shall own and be responsible for operation, maintenance and repair, including all costs, of the facilities downstream of the venturi flowmeter within DWR’s right-of-way, and shall have access to such right-of-way for such purposes subject to the terms of this Agreement.

DWR’s operation and maintenance activities may include future installation of additional or replacement devices and equipment and any operation, maintenance, repair or other activity related to the California Aqueduct, as deemed necessary by DWR.

DWR shall regularly examine, test and service the operation and maintenance of such measuring devices and equipment to ensure their accuracy only if Valley District or Metropolitan are actively using the structures for SWP delivery. DWR will deem delivery structures inactive if Valley District and/or Metropolitan stop receiving SWP water through such structures for a period of two years. DWR will
not maintain inactive delivery structures. In cases where DWR deems the delivery structure inactive, Valley District shall be responsible for the cost of restoring its appurtenances and the measuring devices back to acceptable DWR standards, as determined by DWR, prior to any further SWP deliveries.

38. INSURANCE DURING OPERATION AND MAINTENANCE

(a) While this Agreement is in effect, Valley District shall maintain and furnish to DWR evidence of insurance against all claims and liability for which Valley District may be liable under this Agreement and include DWR, its officers, employees and agents named as additional insureds in:

(1) Liability insurance policies with limits of not less than $5,000,000 for each occurrence and aggregate. The policies are to provide coverage for premises operations, products/completed operations, personal/advertising injury, and independent contractors. The required coverage and limits may be provided with a combination of general liability and umbrella/excess liability policies. Umbrella or excess liability policies shall contain a clause stating the coverage takes effect (drops down) in the event the primary limits are impaired or exhausted. The aggregate limits provided by the policies shall apply on a per location or per project basis.
(2) Auto liability with a limit of no less than $1,000,000 for each accident. Coverage shall be for all owned, hired, and non-owned autos.

(3) Workers’ compensation insurance that satisfies California statutory limits and with employers’ liability of no less than $1,000,000. The workers’ compensation policy shall include a waiver of subrogation in favor of DWR.

(b) Such policy/policies shall not contain any provision against cross-liability between named insureds, but shall include a 45-day notice provision for termination by the insurer of such policy/policies. Valley District shall provide certificate(s) to DWR for the required policy/policies upon execution of this Agreement. Valley District shall provide the additional insured endorsements for the liability and auto policies and the workers’ compensation waiver of subrogation endorsement with the certificate(s) upon execution of this Agreement.

(c) Any policy/policies containing deductibles or providing self-insurance are subject to DWR’s advance approval.

(d) Valley District shall always maintain the required insurance coverage under this Article while this Agreement is in effect, and DWR will not be
responsible for any premiums, deductibles, or assessments on the policies. In the event such insurance coverage is due to expire at any time while this Agreement is in effect, Valley District shall file with DWR, at least 45 days prior to such date of expiration, a new certificate of insurance evidencing uninterrupted coverage as required in this Article. Valley District shall send new certificates of insurance to the address specified in Article 13, and they are subject to approval by DWR for compliance with the terms of this Agreement. Such approval shall be conclusively presumed in the absence of written objection by DWR within 30 days of DWR receiving the certificates from Valley District. In the event insurance coverage lapses, DWR may terminate this Agreement. For all activities performed under this Agreement in which Valley District is liable, Valley District shall be liable for the full amount even if the amount of liability exceeds the amount of the insurance policy maximum.

39. **WAIVER OF DAMAGE CLAIMS**

Valley District agrees to waive all claims for possible future damage to the Santa Ana River Turnout due to DWR’s actions, unless the damage results from the sole negligence or willful misconduct of DWR, its officers, employees and agents.

40. **JOINT DRAFTING**

All Parties participated in the drafting of this Agreement.
41. COUNTERPARTS

This Agreement may be signed in counterparts and with electronic signatures.
IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.

Approved as to Legal Form and Sufficiency: STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

___________________________ ________________________________
Chief Counsel
Department of Water Resources

___________________________ ________________________________
Chief
State Water Project Analysis Office

Date

San Bernardino Valley Municipal Water District

___________________________ ________________________________
Name

___________________________ ________________________________
Title

___________________________ ________________________________
Date

The Metropolitan Water District of Southern California

___________________________ ________________________________
Name

___________________________ ________________________________
Title

___________________________ ________________________________
Date
Notice of Exemption

To: County Clerk  From: San Bernardino Valley Municipal Water District
County of San Bernardino
172 W. Third Street
San Bernardino, CA 92415

Project Title: Transfer of Turnout WR-23

Project Location - Specific: See attached map

Project Location - City: San Bernardino  Project Location - County: San Bernardino

Description of Nature, Purpose and Beneficiaries of Project: The Project involves the transfer of turnout WR-23 from the Metropolitan Water District of Southern California and Western Municipal Water District of Riverside County to San Bernardino Valley Municipal Water District, with no change in capacity or permitted uses.

Names of Public Agencies Approving Project: San Bernardino Valley Municipal Water District

Name of Person or Agencies Carrying Out Project: San Bernardino Valley Municipal Water District

Exempt Status: (check one)
☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269(b),(c));
☒ Categorical Exemption. State type and section number: Guidelines 15301 (Operation and Maintenance of Existing Facilities); Guidelines 15378 (Not a Project)
☐ Statutory Exemptions. State code number:

Reasons why project is exempt: The Project involves the transfer of ownership of Turnout WR-23 from the Metropolitan Water District of Southern California and Western Municipal Water District of Riverside County to San Bernardino Valley Municipal Water District. There will not be any change in the capacity or permitted uses of the facility, just a change in ownership.

Lead Agency
Contact Person: Heather Dyer, General Manager
Telephone/Extension: (909) 387-9256

If filed by applicant:
1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes  No

Signature: ___________________________ Date: ___________ Title: General Manager
☒ Signed by Lead Agency  Date received for filing at OPR:
☐ Signed by Applicant
Attachment 1 – WR-23 Turnout Location Map
DATE:       June 9, 2020
TO:         Board of Directors’ Workshop - Engineering
FROM:       Wen Huang, Chief Engineer
SUBJECT:    Consider Santa Ana River Recharge Modeling and Testing with Geoscience

Staff provided a report to the Board of Directors at its Workshop on October 9, 2018 that outlined the options available to respond to the average groundwater levels in the three index wells in Colton and Riverside North Basins falling below the threshold of 822.04 feet amsl (above mean sea level). This compliance point was established in the 1969 Western Judgment to protect downstream agencies from deleterious impacts of the settlement. The annual monitoring of the index wells conducted in November 2018 and November 2019, respectively, revealed that the average water levels were below the threshold for two years in a row, which requires action on the part of Valley District.

Valley District Staff have been working with the Riverside Entities to develop an action plan in response to the groundwater level condition. Subsequent to favorable consideration by the Board of Directors on a separate item on today’s agenda for purchase of State Water Project (SWP) Turnout WR-23, Staff recommends that the Board forward the proposed scope of services by Geoscience for groundwater modeling and recharge testing in the Santa Ana River using SWP water from WR-23 to the next Board of Directors’ meeting for consideration.

Background:
As required by the terms of the 1969 Western Judgment, Valley District Staff working in collaboration with Western Municipal Water District (WMWD) Staff monitor the groundwater levels in the three index wells in the Colton and Riverside Basins. Due to extended drought and
somewhat increased groundwater production, the average groundwater levels in the index wells have been declining over the last 15 years. The most recent annual monitoring events revealed that the average water levels in the index wells were 10.88 feet below the Judgment threshold of 822.04 feet amsl in 2018, and 6.3 feet below in 2019, respectively, which were the lowest levels recorded since the Judgment was signed in 1969. The three index wells consist of Johnson No. 1, Flume No. 2, and Flume No. 5. The locations of the wells are shown on the attached map. Additionally, the historic individual and average groundwater levels of the wells are attached.

When the average water level falls below the threshold, a provision in the Judgment allows extractions by the Riverside entities from the Colton Basin and North Riverside Basins to be transferred to the San Bernardino Basin Area (SBBA) but only to the extent necessary to restore the water level. Valley District is required to replenish the SBBA in the amount equal to any extractions that are transferred.

Additionally, Staff have been investigating options of recharging water in the index well area, which is along the Santa Ana River in south Colton, to maintain the water level. The most feasible source of recharge water is SWP water from a turnout, WR-23, off the Santa Ana Valley Pipeline, of which Valley District owns 25 cubic feet per second (cfs) capacity. Purchase of WR-23 from WMWD and MWDSC is on a separate item for consideration by the Board of Directors today.

Subsequent to favorable consideration for purchase of WR-23 by the Board of Directors, Staff is proposing to conduct a series of groundwater modeling exercises using the newly calibrated Santa Ana River Integrated Model to identify optimal flow rates and anticipated responses in the index wells in advance of conducting actual recharge tests. Once the optimal flow rates and recharge scenarios are identified, the associated recharge tests will be conducted, subject to availability of SWP water.

Geoscience is the preferred consultant for the proposed work given their extensive involvement during the development of the Integrated Model and proven records of conducting similar tasks for Valley District and other agencies. At the request of District staff, Geoscience prepared the attached scope of services for consideration. The scope was also reviewed and concurred by the Riverside Entities staff. Staff has evaluated the fees with the associated scope and found it to be reasonable.
Fiscal Impact:
The estimated cost for the scope of services is $77,513, which is included in Line Item 6360 Consultants of the FY 20-21 General Fund Budget.

Staff Recommendation:
Forward the Scope of Services for Conducting Modeling of Recharge Testing in the Riverside North Basin and Providing Support during Testing to the next Board of Directors’ meeting for consideration. The total cost is estimated at $77,513.

Attachments:
1. Locations of the three Index Wells
2. Historic individual and average groundwater levels for the Index Wells
Individual and Average Groundwater Levels for Index Wells since 1969

- Johnson No. 1
- Flume No. 2
- Flume No. 5
- Average of 3 Wells

1969 Western Judgement Requirement

No Recharge Required
Recharge Required

Volume 8 - Table No.1
June 2, 2020

Mr. Wen Huang, P.E.
Chief Engineer
San Bernardino Valley Municipal Water District
300 East Vanderbilt Way
San Bernardino, CA 92408-3593

Re: Scope of Work and Cost Estimate to Conduct Modeling of Recharge Testing in the Riverside North Basin and Provide Support During Testing

Dear Wen:

Per your request, Geoscience Support Services, Inc. (Geoscience) has prepared this scope of work and cost proposal to conduct modeling for recharge testing in the Riverside North Basin, provide a workplan for data collection during the testing, as well as coordinate with stakeholders. A previous version of this proposal was submitted on April 28, 2020. The proposal has been updated to include additional tasks to support the recharge testing.

Valley District plans to conduct a Santa Ana River (SAR) in-channel recharge test in the Riverside North Basin area using water discharged from State Water Project Pipeline Outlet WR-23. The purpose of this study is to develop the operational recharge schedule (including the timing and recharge rate) that would optimize the amount of groundwater recharge in the vicinity of the three Key Wells designated in the Western Judgment (i.e., Wells Johnson No. 1, Flume No. 2, and Flume No. 5). Specifically, the relationship between the amount of water discharged from Outlet WR-23 and the increase in water levels in the Key Wells will be established.

The proposed scope of work includes:

- Task 1 - Refine the Integrated SAR Model,
- Task 2 - Modeling of Recharge Test,
- Task 3 - Prepare Draft and Final Modeling Technical Memorandum,
- Task 4 - Prepare Workplan for Testing,
- Task 5 - Coordination and Data Management During Testing,
• Task 6 - Prepare Draft and Final Recharge Testing Technical Memorandum, and
• Task 7 - Project Management and Meeting Attendance.

The following sections discuss the proposed scope of work.

**Task 1 - Refine the Integrated SAR Model**

The newly completed Upper Santa Ana River Integrated Model (Integrated SAR Model) will be used for this study. Task 1 will improve model calibration for Key Wells designated in the Western Judgment. Figures 1 through 3 show the model-simulated and observed water levels at the three Western Judgment Index Wells: Johnson No. 1, Flume No. 2, and Flume No. 5, respectively. As shown, the Integrated SAR Model matches observed water levels and water level trends at the Johnson No. 1 well for the duration of the calibration period. At Flume No. 2 and Flume No. 5, model-simulated water levels track observed water levels closely for most of the calibration. A departure begins to manifest in these wells in 2011, where simulated water levels decline with observed water levels but do not match the slope of the downward trend. For the purpose of this study, the model will be refined in the Riverside Basin area to improve the model calibration in the Flume No. 2 and Flume No. 5 wells. Aquifer testing results from the Flume wells, specifically testing results from the recent rehab of Flume 7, will be utilized.

**Task 2 - Modeling of Recharge Testing**

Task 2 involves running various model scenarios to develop information needed to optimize the amount of in-channel groundwater recharge\(^1\) in the SAR in the vicinity of the three Key Wells using water discharged from Outlet WR-23. Eight (8) model scenarios will be conducted using the refined Integrated SAR Model developed during Task 1. These model scenarios will be simulated by varying the timing (on a monthly basis) and amount of water discharged from Outlet WR-23 (limited to 40 cfs). Proposed, general scenario assumptions are summarized in the following table. We will work closely with the Project Team to develop the final model scenario assumptions.

---

\(^1\) Off-channel recharge will not be considered at this time due to the current lack of required facilities to deliver water to off-channel recharge locations.
Proposed General Scenario Assumptions

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Hydrology</th>
<th>In-Channel Groundwater Recharge</th>
<th>Start of Recharge Testing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1</td>
<td>Dry</td>
<td></td>
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</tr>
<tr>
<td>Scenario 2</td>
<td>Average</td>
<td>40 cfs</td>
<td>September</td>
</tr>
<tr>
<td>Scenario 3</td>
<td>Wet</td>
<td></td>
<td></td>
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<tr>
<td>Scenario 4</td>
<td>Dry</td>
<td>40 cfs</td>
<td>February</td>
</tr>
<tr>
<td>Scenario 5</td>
<td>Average</td>
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<td></td>
</tr>
<tr>
<td>Scenario 6</td>
<td>Wet</td>
<td></td>
<td></td>
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<tr>
<td>Scenario 7</td>
<td>TBD*</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Scenario 8</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
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</tbody>
</table>

*TBD: To be determined, based on results from Scenarios 1 through 6.

Based on results from the model scenarios, a relationship between the amount of water discharged from Outlet WR-23 and the increase in water levels in the Key Wells under various hydrologic conditions will be established. In addition, the fate of water discharged from Outlet WR-23 will be provided, including the amount of groundwater recharge along the SAR in various reaches (e.g., Riverside Basin above RIX, Riverside Basin downgradient of RIX, and Chino Basin) as well as surface flow at Prado, if there is any. This information can be used to optimize the amount of in-channel groundwater recharge in the SAR in the vicinity of the three Key Wells using water discharged from Outlet WR-23.

Task 3 - Prepare Draft and Final Modeling Technical Memorandum

We will prepare a draft TM summarizing all work conducted for Tasks 1 and 2. This TM will include recalibration results for the Western Judgment Index Wells and assumptions and results from the model scenarios. We will submit the draft TM to Valley District for review and comment. A final TM will then be prepared that incorporates all comments received on the draft TM.

Task 4 – Prepare Workplan for Recharge Testing

We will prepare a workplan to guide data collection and coordinate monitoring during the recharge testing. Using results of the modeled scenarios, we will identify wells that should be monitored during recharge testing. The workplan will recommend data collection procedures, measurement frequency, determine agencies controlling the wells, identify parties responsible for collecting data, and data availability with incidental collection. We will coordinate with the responsible parties and perform a field visit to confirm wells are accessible for data collection.
Task 5 – Coordination and Data Management During Testing

After monitoring points have been identified, we will coordinate with well owners and parties already monitoring wells to collect data during the recharge testing. City of Riverside has indicated that the pumping schedule in nearby wells may be modified during the testing if allowed by system demand. Geoscience field personnel will conduct a site visit to verify transducer setup and measurement procedures.

We will prepare field monitoring sheets for any wells that are not equipped with transducers and establish an electronic method for data sharing between parties using Microsoft Sharepoint, OneDrive, or similar product.

Task 6 – Prepare Draft and Final Recharge Testing Technical Memorandum

Following the recharge testing, we will prepare a TM documenting recharge volume and schedule as well as water level response in Key Wells and other wells identified as monitoring points.

We will submit the draft TM to Valley District for comment. Any comments received on the draft TM will be incorporated in a final TM, which will be submitted to Valley District.

Task 7 - Project Management and Meeting Attendance

Subtask 7.1 – Project Management
We will coordinate project activities during the project. Project management includes additional hours and costs to cover tasks related to any unforeseen issues or requests that arise during the course of the project.

Subtask 7.2 – Prepare for and Attend Meetings
We will prepare for and attend four (4) meetings to present findings and modeling results during the course of the project. This includes two (2) meetings during workplan development and two (2) meetings during recharge testing.
The cost estimate for proposed Tasks 1 through 7 is $77,513, as detailed in attached Table 1.

If you have any questions, please feel free to call me at (909) 451-6650.

Sincerely,

Johnson Yeh, PhD, PG, CHG
Principal/Groundwater Modeler
Encl.
Hydrograph for Well Johnson No. 1

- Observed
- Judgment Water Level

Groundwater Elevation, ft

1,150
1,100
1,050
1,000
950
900
850
800
750
700
650


Figure 1
San Bernardino Valley Municipal Water District
Scope of Work and Cost Estimate to Conduct Modeling of Recharge Testing in the Riverside North Basin and Provide Support During Testing

Hydrograph for Well Flume No. 2

- Observed
- Judgment Water Level

Groundwater Elevation, ft amsl

- 1966
- 1971
- 1976
- 1981
- 1986
- 1991
- 1996
- 2001
- 2006
- 2011
- 2016

Figure 2
Hydrograph for Well Flume No. 5

- Observed
- Judgment Water Level
- Model-Calculated

Groundwater Elevation, ft amsl


Figure 3
San Bernardino Valley Municipal Water District
Scope of Work and Cost Estimate to Conduct Modeling of Recharge Testing in the Riverside North Basin and Provide Support During Testing

Cost Proposal for Professional Services
Modeling of Recharge Testing in the Riverside North Basin and Provide Support During Testing

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Principal Modeler</th>
<th>Senior Modeler</th>
<th>Modeler III</th>
<th>Project Geohydrologist</th>
<th>Geohydrologist III</th>
<th>Technical Illustrator</th>
<th>Clerical</th>
<th>Labor</th>
<th>Reimbursable Expenses</th>
<th>Total Cost</th>
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<td>3.0 Prepare Draft and Final Modeling Technical Memorandum</td>
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<td>$150</td>
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<tr>
<td>4.0 Prepare Workplan For Testing</td>
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<td>5</td>
<td>4</td>
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<td>$9,375</td>
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7.0 Project Management and Meeting Attendance

7.1 Project Management                                   | 4                 | 16             |             |                        |                    |                       |          |       | $5,160                | $5,160     |
| 7.2 Prepare for and Attend Meetings (Assumes Two Meetings for Modeling Effort and Two Meetings for Workplan Development and Testing) | 6                 | 16             | 8           | 2                      |                    |                       |          |       | $7,616                | $200       |

TOTAL HOURS AND COST: 28 109 70 48 72 43 2 $76,873 $640 $77,513

Notes:
1 Reimbursable Expenses include mileage and report reproduction costs.
GEOSCIENCE is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain “public works” and “maintenance” projects. The work GEOSCIENCE performs does not fall under prevailing wage rate categories.
DATE: June 9, 2020

TO: Board of Directors' Workshop - Engineering

FROM: Mike Esquer, Sr. Project Manager

SUBJECT: Consider a lease for AT&T Cellular to construct and operate a Cellular Communications Tower at the Tate Pump Station Site.

The memorandum provides background information for a telecommunications site lease agreement between Valley District and New Cingular Wireless PCS, LLC, (AT&T Mobility Corporation) for the installation, operation and maintenance of a cellular communication tower located on Valley District's properties (Assessor's Parcel Numbers 0168-351-10 & 0168-351-11) in Redlands, California at the Tate Pump Station site. Staff recommends that the Board of Directors forward the lease agreement to a future Board of Directors' meeting for consideration.

Discussion:
Staff has been working with AT&T representatives to prepare documents required for the City of Redlands Conditional Use Permit (CUP), California Environmental Quality Act (CEQA) and a lease agreement (Agreement) in support of the installation of a cellular communications tower on the subject properties. Since then, Coastal Business Group, Inc., AT&T Consultant has received the approval from the City of Redlands for CUP No. 1135 and Building Permit for the tower.

The proposed tower will be located approximately 100 feet westerly of an existing Verizon cellular communications tower on this same properties. The proposed location of the new cellular tower will be located in an area where is vacant and Valley District has no future plans to develop within the Tate Pump Station site.

Varner and Brandt, District House Counsel, drafted the Telecommunications Site Lease Agreement that is acceptable to the attorney for AT&T. Among other things, the initial term of the
lease is five (5) years with a lease amount of $2,500 per month. The lease may be automatically renewed every five years, up to four (4) times, with a 15% rate increase to the monthly lease.

The site plan is still being developed by AT&T and will be reviewed and approved by the District Staff. Staff will then include the final site plan in the lease agreement for consideration by the Board of Directors in a future Board of Directors' meeting.

**Fiscal Impact:**
The item will have a positive fiscal impact as it generates a revenue from the lease.

**Recommendation:**
Staff recommends the lease agreement for the AT&T Telecommunications Site be forwarded to a future Board of Directors’ Meeting for consideration.

**Attachments:**
1. Lease Agreement
2. City of Redlands CUP 1135
THIS TELECOMMUNICATIONS SITE LEASE AGREEMENT ("Lease"), is made and entered into as of __________, 2020 (the "Effective Date"), by and between SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, a public agency formed, existing, and operating pursuant to Division 20 of the California Water Code ("Lessor"), and New Cingular Wireless PCS, LLC, a Delaware limited liability company ("Lessee").

RECITALS

A. Lessor is the owner of that certain real property located in the City of Redlands and unincorporated San Bernardino County, identified as Assessor Parcel Nos. 0168-351-10 and 0168-351-11, and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference ("Property").

B. Lessee desires to lease a portion of the Property containing approximately Nine Hundred (900) square feet (the "Premises"), together with a right-of-way for access and utilities, as described and/or depicted in Exhibit "B" attached hereto and incorporated herein by reference.

NOW, THEREFORE, in consideration of the terms and conditions contained herein, the parties agree as follows:

AGREEMENT

1. RECITALS

The recitals set forth above are hereby made a part of this Lease and are incorporated herein as though set forth in full by this reference.

2. LEASE AND IRREVOCABLE EASEMENT

a. Lessor for and in consideration of the rents, covenants, and conditions herein contained to be kept, performed, and observed by Lessee, does hereby lease to Lessee, and Lessee does hereby lease from Lessor, the Premises.

b. Lessor hereby also grants to Lessee the irrevocable, non-exclusive right (during the Term of this Lease) to gain access from a public right-of-way to and from the Premises (seven [7] days a week, twenty-four [24] hours a day) by way of, and to install and maintain fencing, utility wires, cables, conduits and pipes over, under and along, the right-of-way depicted in Exhibit "B" (the "Right-of-Way"). Lessor shall have unrestricted access to all portions of the Property, other than the Premises, through any and all gates located within the Right-of-Way by use of duplicate padlocks and/or provision to Lessor of any applicable combination or passcode. Except in case of an emergency, in which case no notice shall be required (which includes a failure of Lessee's communications equipment to operate properly), Lessee shall provide Lessor with twenty-four (24) hours advance notice to 909-387-9246 when it intends to access the Premises. Lessee shall provide Lessor with the names and numbers of individuals authorized to notify Lessor of the intent to access the Premises. The list of names and numbers will be kept current. Notifications from individuals not on the list will not be acceptable. When notification is made, Lessee shall provide Lessor with the names of the personnel of Lessee or of any subcontractor of Lessee who will access the Premises. A contact name and telephone number of a representative or project manager of Lessee shall be provided in order to resolve any questions or concerns on the part of Lessor regarding individual access requests. Lessee may use the Right-of-Way only in connection with the installation, maintenance, operation, and removal of its Communications Facility (as defined below) on the Premises. The Right-of-Way described in this paragraph shall constitute Lessee's sole access to the Premises. Any other access to the Premises shall require the prior written consent of Lessor, which consent may be granted or denied at the sole discretion of Lessor, including any conditions deemed appropriate by Lessor such as accompaniment by an employee of
Lessor. At Lessor’s sole cost and expense, Lessor may relocate the Right-of-Way for access to the Premises upon thirty (30) days’ notice to Lessee, to a new location on the Property reasonably acceptable to Lessee. In such case, Lessor and Lessee agree to cooperate fully in identifying the location and manner of such relocation.

3. **TERM**

a. The initial term of this Lease ("**Initial Term**") shall be five (5) years commencing with the issuance of a local governmental building permit allowing Lessee to construct Lessee’s communications facility on the Premises or twenty-four (24) months from the Effective Date, whichever occurs first (the earlier being, the **Commencement Date**), subject to Section 3.b. Lessor and Lessee agree that they shall acknowledge in writing the Commencement Date. Lessor and Lessee acknowledge and agree that the initial rental payment may not actually be sent by Lessee until up to forty-five (45) days after the Commencement Date.

b. Lessee agrees that if a local governmental building permit is not issued within six (6) months after the Effective Date, then Lessee shall pay Lessor, as additional rent, a one-time lump sum payment of Two Thousand Five Hundred and No/100 Dollars ($2,500.00). In the event that a local governmental building permit is not issued within twelve (12) months after the Effective Date, then Lessee shall pay Lessor, as additional rent, an additional one-time lump sum payment of Two Thousand Five Hundred and No/100 Dollars ($2,500.00). All payments under this Paragraph 3.b. shall be made within forty-five (45) days of becoming due.

c. Lessee is hereby granted and shall have, if not in default under this Lease at the time of exercise, four (4) options to extend this Lease, each for an additional five (5) year period ("**Extension Terms**"). Each Extension Term shall be on the same terms, covenants, and conditions contained herein, except for the rental amount which is set forth in Paragraph 4.a. below. This Lease will be automatically renewed for each Extension Term unless Lessee provides Lessor notice of intention not to renew not less than six (6) months prior to the expiration date of the Initial Term or then-current Extension Term. The Initial Term and the Extension Terms are collectively referred to in this Lease as the Term ("**Term**").

d. Notwithstanding the foregoing, Lessee shall promptly cease operations upon receipt of written notice from Lessor in the event that Lessor reasonably and in good faith determines that Lessee’s use of the Premises poses a human health hazard which cannot be remediated based upon (1) reasonably undisputable scientific evidence and/or (2) judicial determination from a court of competent jurisdiction. The parties acknowledge and agree that there will not be an adequate remedy at law for noncompliance with this paragraph, and therefore Lessor shall be entitled to equitable remedies, including without limitation injunctive relief and specific performance.

4. **RENT, TAXES, AND UTILITIES**

a. Commencing on the Commencement Date, Lessee agrees to pay Lessor an initial annual rent for the Premises of Thirty Thousand and 00/100 Dollars ($30,000.00) ("**Annual Rent**"), which Annual Rent shall be paid in equal monthly installments, in advance, on the first day of each month to Lessor or such other person, firm or entity as Lessor may, from time to time, designate in writing at least thirty (30) days in advance of any monthly Annual Rent payment date. In any partial month occurring after the Commencement Date, the monthly Annual Rent will be prorated. Notwithstanding the foregoing, the initial monthly Annual Rent payment will be forwarded by Lessee to Lessor within forty-five (45) days after the Commencement Date.

i. The Annual Rent for the first (1st) Extension Term, if exercised, shall be increased to Thirty-Four Thousand Five Hundred Dollars and Zero Cents ($34,500.00).

ii. The Annual Rent for the second (2nd) Extension Term, if exercised, shall be increased to Thirty-Nine Thousand Six Hundred Seventy-Five Dollars and Zero Cents ($39,675.00).
iii. The Annual Rent for the third (3rd) Extension Term, if exercised, shall be increased to Forty-Five Thousand Six Hundred Twenty-Six Dollars and Twenty-Five Cents ($45,626.25).

iv. The Annual Rent for the fourth (4th) Extension Term, if exercised, shall be increased to Fifty-Two Thousand Four Hundred Seventy Dollars and Nineteen Cents ($52,470.19).

b. Lessee shall be responsible directly to the serving entities for all utilities required by Lessee's use of the Premises. Lessor makes no representations as to the suitability or availability of any utility services to the Premises.

c. Lessor hereby agrees to provide to Lessee certain documentation (the “Rental Documentation”) evidencing Lessor’s interest in, and right to receive payments under, this Lease, which shall include: (i) a complete and fully executed Internal Revenue Service Form W-9, or equivalent, in a form acceptable to Lessee, for any party to whom rental payments are to be made pursuant to this Lease; and (ii) a complete and fully executed Internal Revenue Service CA Form 590, or equivalent, in a form acceptable to Lessee, for any party to whom rental payments are to be made pursuant to this Lease. If Lessee is unable to verify Lessor’s federal tax information on the file with the IRS, Lessor shall provide such additional documentation as may be required to verify such information. The Rental Documentation shall be provided to Lessee in accordance with the provisions of this Lease. Delivery of Rental Documentation to Lessee shall be a prerequisite for the payment of any rent by Lessee, and notwithstanding anything to the contrary herein, if the Rental Documentation is not provided to Lessee prior to the Commencement Date, monthly rent shall accrue on and after the Commencement Date as provided herein, but shall not be payable by Lessee to Lessor until Lessor provides the Rental Documentation to Lessee.

5. USE OF THE PROPERTY

a. Lessee may use the Premises for the purpose of constructing, maintaining and operating a wireless communications facility, including required antennas, and for any other uses which are incidental thereto (collectively, "Communications Facility"). Said Communications Facility shall be constructed in accordance with the plans and specifications attached hereto as Exhibit "B." Lessee may not construct or install any other improvements on the Premises without obtaining Lessor’s prior written approval, which may be conditioned or withheld in Lessor’s sole discretion. Any approval by Lessor under the foregoing sentence, if given, will be conditioned upon Lessee obtaining written approval, if required, from any governmental authorities (including the City of Redlands and the County of San Bernardino) having jurisdiction over the construction or installation of such other improvements on the Premises. Notwithstanding the foregoing, Lessor’s approval shall not be required and no amendment to this Lease shall be required for any changes or replacements of equipment of a “like-kind” or a “substantially similar” nature, or for any non-material modifications that occur entirely within Lessee’s equipment enclosure. Construction of Lessee’s facility shall be at Lessee’s sole expense, and Lessee shall maintain the Premises, including any landscaping required by any governmental authority, in a reasonable condition throughout the Term.

i. Lessor hereby approves the construction of the improvements depicted and/or described in Exhibit "B" to the Lease.

b. It is understood and agreed that Lessee’s ability to use the Premises is dependent upon Lessee’s obtaining all of the certificates, permits, licenses and other approvals which may be required from any federal, state or local authority. Lessor shall cooperate with Lessee, but at no expense to Lessor, in its efforts to obtain such approvals, and Lessor shall take no action which will adversely affect the status of the Premises with respect to Lessee’s proposed uses thereof. If any application by Lessee for any such certificate, permit, license, easement or approval is finally denied or rejected, or if any such certificate, permit, license, easement or approval is canceled, or expires, or lapses or is otherwise withdrawn or terminated, or if due to technological changes or for any other reason, Lessee, in its sole discretion, determines that it will be unable to use the Premises for Lessee’s intended purposes, then Lessee shall have the right to terminate this Lease upon payment to Lessor of an amount
equal to three (3) months of the then-current Annual Rent in effect, which shall be paid by Lessee to Lessor within thirty (30) days following such termination. Such termination shall relieve both parties of any further obligations under this Lease, except for indemnification obligations or other obligations expressly stated herein to survive the expiration or termination of this Lease, although each shall continue to have any and all remedies for any breach of a Lease obligation which occurred prior to the date of termination.

c. Lessee shall be solely responsible for any damage to the Property, including without limitation any damage to slopes on the Property, arising out of or related to work performed on the Premises by or at the request of Lessee, and Lessee shall repair any such damage to the Property promptly, at Lessee's sole cost and expense.

6. OWNERSHIP; MAINTENANCE; LANDSCAPING

a. It is expressly understood and agreed that any and all equipment and improvements of whatsoever nature at any time constructed or placed on the Premises by Lessee shall be and remain the property of Lessee. All of Lessee's radio communications facilities, including without limitation radio frequency transmitting and receiving equipment, batteries, utility lines, transmission lines, and radio frequency transmitting and receiving antennas, shall be considered Lessee's personal property and not fixtures.

b. Prior to the expiration or within ninety (90) days following earlier termination of this Lease, Lessee shall, at Lessee's sole cost, remove its personal property and improvements (including footings) and restore the Premises to its original condition, reasonable wear and tear excepted. At Lessor's option, when this Lease expires or is terminated, and upon advance written notice to Lessee at least sixty (60) days prior to the expiration of this Lease or within ten (10) days after the earlier termination thereof, Lessee shall leave Lessee's improvements, other than its personal property, to become the property of Lessor. Lessor acknowledges and agrees that Lessor will take possession of such improvements in their then "as is" condition and that Lessee shall make no representation or warranty with respect to Lessor's continued use of the improvements or the suitability of the improvements for any particular purpose and Lessee shall thereafter have no further liability for same, except as otherwise applicable under this Lease.

c. Lessee, at Lessee's sole cost and expense at all times during the Term of this Lease, agrees to keep and maintain, or cause to be kept and maintained, all Lessee's equipment erected upon the Premises in a good state of appearance and repair, reasonable wear and tear excepted.

d. Lessee shall pay or cause to be paid the total cost and expense of all works of improvement (as such phrase is defined in the Mechanics' Lien Law in effect at the place of construction when the work begins) that are performed on the Premises by or at the request of Lessee. No such payment shall be construed as Annual Rent. Lessee shall not suffer or permit to be enforced against Property or any part of it any mechanics', materialman's, contractor's or subcontractor's lien arising from any work of improvement performed on the Premises by or at the request of Lessee. No work on the Premises shall be commenced until fifteen (15) days after Lessee delivers written notice to Lessor stating the date that such work is to commence so that Lessor can post and record an appropriate notice of non-responsibility. Lessee may in good faith and at Lessee's own expense contest the validity of any such asserted lien, claim or demand, provided that Lessee has furnished any bond required under Civil Code Section 8424 (or any comparable statute hereafter enacted for providing a bond freeing Property from the effect of such a lien, claim or demand).

e. Lessor acknowledges that Lessee may enter into financing arrangements including promissory notes and financial and security agreements for the financing of Lessee's personal property (the "Collateral") with a third party financing entity and may in the future enter into additional financing arrangements with other financing entities. In connection therewith, Lessor (i) consents to the installation of the Collateral to the extent that the Collateral is part of the approved Lessee's facilities; (ii) disclaims any interest in the Collateral, as fixtures or otherwise, whether arising at law or otherwise, including, but not limited to any statutory landlord's lien; and (iii) agrees that the Collateral shall be
exempt from execution, foreclosure, sale, levy, attachment, or distress for any rent due or to become due and that such Collateral may be removed at any time without recourse to legal proceedings.

f. Except to the extent caused by the negligence or willful misconduct of Lessor or its agents, employees or contractors, Lessee shall indemnify, defend and hold harmless Lessor against any liability, claim (including reasonable attorneys’ fees and all costs and expenses incurred by Lessor in negotiating, settling, defending or otherwise protecting against such claims) or loss to the extent that any such liability, claim or loss arises out of work performed on the Premises by or at the request of Lessee.

g. Lessee shall be permitted to install certain landscaping (“Landscaping”) at the Property, and such connections (“Irrigation”) to Lessor’s existing irrigation system and existing water supply as may be required in order to maintain the Landscaping, as described and depicted in Exhibit “B” attached hereto. Once installed, the Landscaping and Irrigation shall become the property of Lessor, and Lessee shall have no further responsibility for the Landscaping and Irrigation, except as otherwise applicable under this Lease.

7. INDEMNIFICATION AND INSURANCE

a. Lessee shall indemnify, defend, and hold harmless Lessor from and against any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including reasonable attorneys’ fees, to the extent arising out of or related to the use of the Property by Lessee or by Lessee’s agents, employees, contractors, subcontractors, representatives, lessees, successors, invitees, or guests, except for any claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies arising solely out of the negligence or intentional acts of Lessor. Lessee’s indemnification obligations shall survive the expiration or termination of this Lease.

b. Lessor shall indemnify, defend, and hold harmless Lessee from and against any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including reasonable attorneys’ fees, to the extent arising out of or related to the use of the Property by Lessor or by Lessor’s agents, employees, contractors, subcontractors, representatives, lessees, successors, invitees, or guests, except for any claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies arising solely out of the negligence or intentional acts of Lessee. Lessor’s indemnification obligations shall survive the expiration or termination of this Lease.

c. Lessee shall maintain in full force and effect during the term of this Lease commercial general liability insurance insuring against claims and liability for bodily injury (including death) and damage to property resulting from or arising out of Lessee’s use of the Premises under this Agreement. Such insurance shall provide coverage in an amount of Two Million Dollars ($2,000,000.00) per occurrence and Two Million Dollars ($2,000,000) general aggregate. Lessee shall require any of Lessee’s contractors or subcontractors while working hereunder, at their sole cost and expense, to obtain and maintain substantially the same insurance with substantially the same limits as required of Lessee. Lessor shall be included as an additional insured as their interest may appear under said insurance. Lessor’s additional insured status shall (i) be limited to bodily injury, death, property damage or personal and advertising injury caused, in whole or in part, by Lessee, its employees; and (ii) not extend to claims for punitive or exemplary damages arising out of the acts or omissions of Lessor or its employees, or where such coverage is prohibited by law or to claims arising out of the gross negligence of Lessor, its employees, agents or independent contractors.

i. Lessee shall provide Lessor satisfactory evidence of personal property insurance or self-insurance in an amount sufficient to fully protect all personal property owned or controlled by Lessee from theft, fire or other loss or damage while upon the Premises.

ii. Lessee shall cover or insure under all applicable laws relating to workers' compensation insurance, all of their employees working on or about the Property. In addition to all other
indemnification obligations of Lessee in this lease, Lessee shall indemnify, defend, and hold harmless the Lessor, its directors, officers, employees and volunteers from and against all claims, suits, and actions arising from the failure of the Lessee to maintain such insurance. Before beginning any work, Lessee shall furnish to Lessor proof that it has taken out full worker’s compensation insurance for all persons employed by it 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.

iii. Each insurance policy required to be maintained by Lessee hereunder shall provide that such insurance policy may not be canceled or reduced in limits below this Agreement’s requirements for any required coverage without at least thirty (30) days’ prior written notice to Lessor. If (i) Lessee fails to provide Lessor with evidence of any insurance required to be maintained hereunder and/or with evidence of the renewal of any policy required to be maintained hereunder at least ten (10) days before the expiration of such policy, and (ii) such failure is not cured at least five (5) business days before the expiration of such policy, then Lessor may obtain such insurance on Lessee’s behalf. If Lessor obtains insurance on Lessee’s behalf pursuant to this paragraph, Lessee shall reimburse Lessor for the reasonable costs of such insurance within ten (10) business days after receipt of a written statement from Lessor.

iv. Prior to Lessee's installation of its communications facility on the Premises, Lessee will provide Lessor with a certificate verifying that Lessee and each of Lessee’s contractors or subcontractors while working hereunder is maintaining the types of insurance described in this Paragraph.

v. Notwithstanding the forgoing, Lessee may, in its sole discretion, self-insure any of the required insurance under the same terms as required by this Agreement.

vi. Electromagnetic Fields. Lessee shall comply with all present and future laws, orders, and regulations relating to Electromagnetic Fields ("EMFs"), and the American National Standards Institute ("ANSI") standards. In addition to all other indemnification obligations of Lessee in this Lease, Lessee, on behalf of itself and its successors and assigns, shall indemnify, defend, and hold harmless Lessor from any and all costs, including reasonable attorneys' fees and costs, and claims of liability arising out of or related to the use of EMFs by Lessee at the Property.

8. ASSIGNMENT AND SUBLETTING

a. Should Lessor, at any time during the Term of this Lease, sell, lease, transfer or otherwise convey all or part of Property to any transferee other than Lessee, then such transfer shall be under and subject to this Lease and all of Lessee’s rights hereunder, and any transfer by Lessor of any portion of Property underlying the easement herein granted shall be under and subject to the right of Lessee in and to such easement.

b. Lessee will have the right to assign, sell or transfer its interest under this Lease without the approval or consent of Lessor, to Lessee’s principal, affiliates, subsidiaries of its principal, or to any entity which acquires all or substantially all of the Lessee’s assets in the market defined by the Federal Communications Commission in which the Property is located by reason of a merger, acquisition, or other business reorganization. Upon notification to Lessor of such assignment, transfer or sale, Lessee will be relieved of all future performance, liabilities and obligations under this Lease. Lessee may not otherwise assign this Lease without Lessor's consent, Lessor's consent not to be unreasonably withheld, conditioned or delayed. Lessee shall not sublet the Premises without Lessor's prior written consent, which may be conditioned or withheld in Lessor's sole discretion; provided, however, that Lessee need not obtain Lessor's consent in order to sublease all or any portion of the Premises, to any corporate affiliate of Lessee. Lessee shall not otherwise voluntarily assign, sublet, or encumber its interest in this Lease or in the Premises without Lessor's prior written consent, which may be conditioned or withheld in Lessor’s sole discretion. Notwithstanding any sublease, Lessee shall remain primarily liable for the Annual Rent and all payments required to be made by Lessee under this Lease. Lessee shall be required to notify Lessor promptly of any assignment or sublease.

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c. Notwithstanding anything to the contrary contained in this Lease, Lessee may assign, mortgage, pledge, hypothecate or otherwise transfer without consent its interest in this Lease to any financing entity, or agent on behalf of any financing entity to whom Lessee (i) has obligations for borrowed money or in respect of guaranties thereof, (ii) has obligations evidenced by loans, bonds, debentures, notes or similar instruments, or (iii) has obligations under or with respect to letters of credit, bankers acceptances and similar facilities or in respect of guaranties thereof.

9. LESSEE/LESSOR DEFAULTS

a. The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder by Lessee:

i. The failure by Lessee to make any payment of Annual Rent or any other payment required to be made by Lessee hereunder, as and when due, where such failure shall continue for a period of thirty (30) business days after written notice thereof is received by Lessee from Lessor.

ii. The failure by Lessee to observe or perform any of the express or implied covenants or provisions of this Lease to be observed or performed by Lessee, other than the payment of Annual Rent or any other payment, where such failure shall continue for a period of thirty (30) days after written notice thereof is received by Lessee from Lessor; provided, however, that it shall not be deemed an Event of Default by Lessee if Lessee shall commence to cure such failure within said 30-day period and thereafter diligently prosecute such cure to completion.

iii. Upon the occurrence of an Event of Default by Lessee two (2) times in any twelve (12) month period, in addition to any other remedies available to Lessor at law or in equity, Lessor may at Lessor's election terminate this Lease immediately upon written notice to Lessee. Promptly after Lessee's receipt of such notice of termination, Lessee shall surrender and vacate the Premises pursuant to the terms of Paragraph 6.b above. Any termination of this Lease under this paragraph shall be without prejudice to any other rights or claims that the parties may have against each other.

iv. If there occurs an Event of Default by Lessee, Lessor shall not have the right, prior to the termination of this Lease by a court of competent jurisdiction, to re-enter the Premises and/or remove persons or property from the Premises.

v. This Lease may be terminated by Lessee immediately upon a default of any covenant, condition, or term hereof by Lessor, which default is not cured within thirty (30) days of Lessor's receipt of written notice of default; provided, however, that it shall not be deemed an Event of Default by Lessor if Lessor shall commence to cure such failure within said 30-day period and thereafter diligently prosecute such cure to completion prior to the date that is ninety (90) days after the date that written notice of such Event of Default is received by Lessor.

10. NOTICES

Any notice to be given or to be served upon either party hereto in connection with this Lease must be in writing and shall be deemed to have been given and received (i) when personally delivered, or (ii) three (3) days after it is sent by certified or registered mail, return receipt requested, or two (2) days after it is sent by Federal Express or similar overnight courier, postage prepaid and addressed to the party for whom it is intended, at that party's address specified below. Should Lessor or Lessee have a change of address, the other party shall immediately be notified as provided in this paragraph of such change. The telephone numbers provided below are for convenience only, and in no case will notice by telephone constitute actual or constructive notice for purposes of this Lease. Unless Lessor otherwise specifies in writing, rent checks from Lessee shall be made payable to the person listed below to whom notices are sent.
11. HAZARDOUS MATERIALS

a. Lessor represents, warrants and agrees that (i) as of the date of this Lease, Lessor has no actual knowledge, without investigation, of the existence of any Hazardous Materials (as defined in Paragraph 11.c below) that are presently being used, generated, stored or disposed of in violation of any Environmental Law (as defined in Paragraph 11.c below), and (ii) Lessor will not, and will not knowingly permit any third party to, use, generate, store or dispose of any Hazardous Material on, under, about or within Property in violation of any Environmental Law.

b. Lessee shall not, and shall not knowingly permit any third party to, use, generate, store or dispose of any Hazardous Material on, under, about or within the Property in violation of any Environmental Law. Lessee shall not, and shall not knowingly permit any third party to, cause any Hazardous Materials, as defined below, to be in, or in the ground water of, the Property in violation of any Environmental Law.

c. Lessor and Lessee each agree to defend, indemnify and hold harmless the other and the other’s agents and employees against any and all losses, liabilities, claims and/or costs (including reasonable attorneys’ fees and costs) arising from any breach of any representation, warranty or agreement contained in Paragraphs 11.a and 11.b above. As used in this Paragraph 11, “Hazardous Materials” shall mean (i) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any Environmental Laws, as defined below, as a “hazardous substance”, “hazardous material”, “hazardous waste”, “extremely hazardous waste”, “infectious waste”, “toxic substance”, “toxic pollutant” or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or “EP toxicity” or (ii) any petroleum, natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel (or mixtures of natural gas such as synthetic gas), ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources. The term “Environmental Laws” as used herein means any and all present and future federal, state and local laws (including under common law, statute, rule,
regulation or otherwise), requirements of governmental authorities relating to the environment or to any Hazardous Materials (including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. section 9601 et seq.) and the applicable provisions of the California Health and Safety Code and the California Water Code, all as heretofore or hereafter amended from time to time.

d. The parties acknowledge that from time to time Lessor may be required by various governmental agencies having jurisdiction over the Property to provide a list of Hazardous Materials present on Property. If Lessor is required to provide a list of Hazardous Materials present on Property by any governmental agency having jurisdiction over the Property, Lessee shall, within fifteen (15) business days after receipt of a written request from Lessor, provide to Lessor a written statement identifying the types and amounts of Hazardous Materials being stored and/or used by Lessee within the Premises.

12. QUIET ENJOYMENT; NON-INTERFERENCE

a. Lessor represents, covenants and warrants that Lessee, upon paying the Annual Rent and performing the covenants herein provided, shall peaceably and quietly have, hold and enjoy the Premises.

b. Lessee agrees to install only equipment of the type and frequency which will not cause harmful interference which is measurable in accordance with then-existing industry standards to any equipment of Lessor or other lessees of the Property which existed on the Property prior to the installation of Lessee’s equipment. In the event any after-installed Lessee’s equipment causes such interference, and after Lessor has notified Lessee in writing of such interference, Lessee will take all commercially reasonable steps necessary to correct and eliminate the interference, including without limitation, at Lessee’s option, powering down such equipment and later powering up such equipment for intermittent testing. The parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph, and therefore either party shall have the right to equitable remedies, including without limitation injunctive relief and specific performance.

c. Subject to the improvements currently permitted, constructed and/or operated by Lessor, Lessor shall not construct or operate, or permit to be constructed or operated, any private or governmental antenna structures on the Property without Lessee’s prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. If Lessee withholds its consent to Lessor’s request to construct additional governmental or private antenna structure(s) on the Property, Lessee shall give Lessor written notice describing (in reasonable detail) the reasons for the withholding of such consent and Lessee shall use its reasonable efforts to cooperate with Lessor to identify alternative portions of the Property upon which such antenna structures can be operated without causing interference with Lessee’s operation of its communications facility or otherwise impairing the quality of the communications service being rendered by Lessee. Lessee represents it has fully investigated all improvements currently constructed or operated on the Property as of the date hereof, has satisfied itself that such improvements will not interfere with Lessee’s use of the Premises under this Lease, and hereby consents to the continued operation of such other improvements. The parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph, and therefore either party shall have the right to equitable remedies, including without limitation injunctive relief and specific performance.

13. MISCELLANEOUS PROVISIONS

a. Lessor represents, covenants and warrants that Lessor is seized of good and sufficient title to and interest in the Property and has full authority to enter into and execute this Lease. Lessor further covenants that there are not undisclosed liens, judgments or impediments of title on the Premises that would affect this Lease.
b. This Lease constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements made prior to the date hereof. This Lease may not be changed except in writing executed by both parties.

c. This Lease, and each and every covenant and condition herein, is intended to benefit the Premises and shall extend to and bind the heirs, personal representatives successors and assigns of the parties hereto.

d. The section headings contained in this Lease shall not be considered to be a part hereof for purposes of interpreting or applying this Lease, but are for convenience only. This Lease shall be governed by and construed in accordance with the laws of the State of California, excluding any choice of law provisions.

e. If any portion of this Lease is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion shall be deemed modified to the extent necessary in such court's opinion to render such portion enforceable and, as so modified, such portion and the balance of this Lease shall continue in full force and effect.

f. Should either party be compelled to institute legal proceedings against the other for or on account of its failure or refusal to perform or fulfill any of the covenants or conditions of this Lease on its part to be performed or fulfilled, then the prevailing party in such action or proceeding shall receive from the other party attorneys' fees as adjudged reasonable by the court.

g. In addition to the other remedies provided for in this Lease, Lessor and Lessee shall be entitled to immediate restraint by injunction of any violation of any of the covenants, conditions or provisions herein contained.

h. No waiver of any breach by either party hereunder shall constitute a waiver of any other breach hereunder, whether of the same or any other covenant or condition. No waiver, benefit, privilege or service voluntarily given or performed by either party shall give the other party any contractual right by custom, estoppel or otherwise. The subsequent acceptance of Annual Rent pursuant to this Lease shall not constitute a waiver of any preceding breach by Lessee other than breach in the payment of the particular rental payment so accepted, regardless of Lessor's knowledge of the preceding breach at the time of accepting the Annual Rent, nor shall acceptance of Annual Rent or any other payment after termination constitute a reinstatement, extension or renewal of the Lease or revocation of any notice or other act by Lessor.

i. Lessee hereby acknowledges that Lessor shall have no obligation to provide guard service or other security measures to the Property.

j. Concurrently with the execution of this Lease, Lessor shall execute before a notary and deliver to Lessee for recording, at Lessee's sole cost, a "Memorandum of Lease" substantially in the form of Exhibit "C" attached hereto and incorporated herein by reference.

[Signature Page Follows]
IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Lease as of the Effective Date.


SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: ____________________________
   T. Milford Harrison
   President

By: ____________________________
   Heather P. Dyer
   General Manager


NEW CINGULAR WIRELESS PCS, LLC,
a Delaware limited liability company

By: AT&T Mobility Corporation
   Its: Manager

   By: ____________________________
      Name: _________________________
      Its: ____________________________

CONSENT OF VERIZON WIRELESS

As lessee of a portion of the Property under that certain Telecommunications Site Lease, dated __________________, 2015, Los Angeles SMSA Limited Partnership dba Verizon Wireless hereby consents to the construction by AT&T of the improvements depicted and/or described in Exhibit "B" to this Lease.


LOS ANGELES SMSA LIMITED PARTNERSHIP DBA VERIZON WIRELESS

By: ____________________________
   Name: _________________________
   Its: ____________________________
EXHIBIT “A”
Legal Description of the Property

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

A PORTION OF THAT PART OF THE NORTH HALF OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, BEING ALSO DESIGNATED AS PART LOTS 2 AND 3, BLOCK 27, OF MENTONE, IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT COMMONLY KNOWN AS “STRETCH MAP” RECORDED IN BOOK 8, PAGE 81 OF MAPS, IN THE OFFICE OF THE RECORDER OF SAN BERNARDINO COUNTY, SAID PART IS DESCRIBED IN DOCUMENT RECORDED IN BOOK 7047, PAGE 430 OFFICIAL RECORDS OF SAID COUNTY, SAID PORTION BEING ALL OF SAID PART LYING WITHIN A STRIP OF LAND 40.00 FEET IN WIDTH, THE SOUTHERLY LINE OF SAID STRIP BEING ON A PORTION OF THE SOUTHERLY LINE OF SAID PART AND BEING ALSO ON THE NORTHERLY LINE OF THOSE PARCELS OF LAND CONVEYED TO THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT DESCRIBED IN DOCUMENT RECORDED AS INSTRUMENT NUMBER 86-109556, AND BY DOCUMENT NUMBER 1995-375530, OFFICIAL RECORDS OF SAID COUNTY, SAID 40.00 FEET WIDE STRIP BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL OF LAND DESCRIBED IN DOCUMENT RECORDED AS INSTRUMENT NO. 86-109556, SAID POINT BEING ON A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 3370.80 FEET. A RADIAL BEARING THROUGH SAID POINT BEARS NORTH 06° 53' 29" EAST;

THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL, SOUTHEASTERLY, 277.87 FEET ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 04° 43' 23";

THENCE CONTINUING ALONG SAID NORTHERLY LINE, SOUTH 78° 23' 08" EAST, 473.51 FEET;

THENCE CONTINUING ALONG SAID NORTHERLY LINE, SOUTHEASTERLY, 66.48 FEET ALONG A TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 250.00 FEET, THROUGH A CENTRAL ANGLE OF 15° 14' 06";

THENCE CONTINUING ALONG SAID NORTHERLY LINE, SOUTH 63° 09' 02" EAST, 76.05 FEET TO THE MOST EASTERLY CORNER OF SAID PARCEL OF LAND DESCRIBED IN SAID DOCUMENT NUMBER 1995-375530, SAID POINT ALSO BEING ON THE SOUTHERLY LINE OF THE PARCEL DESCRIBED IN THE AFOREMENTIONED DOCUMENT RECORDED IN BOOK 7047, PAGE 430, OFFICIAL RECORDS OF SAID COUNTY;

THENCE ALONG SAID SOUTHERLY LINE, SOUTH 82° 02' 41" EAST, 123.52 FEET, MORE OR LESS, TO A POINT WHICH IS 40.00 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY PROLONGATION OF THE LAST MENTIONED COURSE IN THE PREVIOUSLY DESCRIBED NORTHERLY LINE OF THE PARCEL DESCRIBED IN DOCUMENT NUMBER 1995-375530;

THENCE PARALLEL WITH SAID NORTHERLY LINE NORTH 63° 09' 02" WEST, 192.92 FEET;

THENCE CONTINUING ALONG A LINE PARALLEL TO SAID WATER DISTRICT PARCELS NORTHERLY LINE, NORTHWESTERLY, 77.11 FEET, ALONG A TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 290.00 FEET, THROUGH A CENTRAL ANGLE OF 15° 14' 06";

THENCE CONTINUING ALONG SAID PARALLEL LINE, NORTH 78° 23' 09" WEST, 473.51 FEET;

THENCE CONTINUING ALONG SAID PARALLEL LINE, NORTHWESTERLY, 240.68 FEET ALONG A TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 3410.80 FEET, THROUGH A CENTRAL ANGLE OF 04° 02' 35";

THENCE SOUTHWESTERLY, 63.07 FEET ALONG A TANGENT COMPOUND CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 40.00 FEET, THROUGH A CENTRAL ANGLE OF 90° 20' 24" TO THE POINT OF BEGINNING.

APN: 0168-351-11-0-00
EXHIBIT “C”
Memorandum of Lease
MEMORANDUM OF LEASE

This Memorandum of Lease is entered into as of ______________, 2020, by and between SAN BERNARDINO VALLEY WATER DISTRICT, a California municipal water district organized and existing under the Municipal Water District Law of 1911 (Water Code § 71000 et seq.), with its principal office at 380 East Vanderbilt Way, San Bernardino, California 92408 ("Lessor"), and NEW CINGULAR WIRELESS PCS, LLC, a Delaware limited liability company, with its principal offices located at 1025 Lenox Park Blvd NE, 3rd Floor, Atlanta, GA 30319 ("Lessee").

1. Lessor and Lessee entered into that certain Telecommunications Site Lease Agreement, dated ______________, 2020 ("Lease"), for the purpose of installing, operating and maintaining a communications facility and other improvements. All of the foregoing are set forth in the Lease.

2. The initial lease term shall be for five (5) years and shall commence as provided in the Lease ("Commencement Date"), with four (4) successive five (5) year options to renew. The total guaranteed term is less than 35 years.

3. The portion of the land being leased to Lessee (the "Premises") is described in Exhibit "A" annexed hereto.

4. This Memorandum of Lease is not intended to amend or modify, and shall not be deemed or construed as amending or modifying, any of the terms, conditions or provisions of the Lease, all of which are hereby ratified and affirmed. In the event of a conflict between the provisions of this Memorandum of Lease and the provisions of the Lease, the provisions of the Lease shall control. The Lease shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject to the provisions of the Lease.

[Signature Page Follows]
IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Memorandum of Lease as of the Effective Date.


SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: ______________________________
   T. Milford Harrison
   President

By: ______________________________
   Heather P. Dyer
   General Manager


NEW CINGULAR WIRELESS PCS, LLC,
a Delaware limited liability company

By: AT&T Mobility Corporation
Its: Manager

By: ______________________________
Name: ______________________________
Its: ______________________________
EXHIBIT “A”

LEGAL DESCRIPTION OF PROPERTY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

A PORTION OF THAT PART OF THE NORTH HALF OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 2 WEST, SAN BERNArdINO MERIDIAN, BEING ALSO DESIGNATED AS PART LOTS 2 AND 3, BLOCK 27, OF MENTONE, IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT COMMONLY KNOWN AS “STRETCH MAP” RECORDED IN BOOK 8, PAGE 81 OF MAPS, IN THE OFFICE OF THE RECORDER OF SAN BERNARDINO COUNTY, SAID PART IS DESCRIBED IN DOCUMENT RECORDED IN BOOK 7047, PAGE 430 OFFICIAL RECORDS OF SAID COUNTY, SAID PORTION BEING ALL OF SAID PART LYING WITHIN A STRIP OF LAND 40.00 FEET IN WIDTH, THE SOUTHERLY LINE OF SAID STRIP BEING ON A PORTION OF THE SOUTHERLY LINE OF SAID PART AND BEING ALSO ON THE NORTHERLY LINE OF THOSE PARCELS OF LAND CONVEYED TO THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT DESCRIBED IN DOCUMENT RECORDED AS INSTRUMENT NUMBER 86-109556, AND BY DOCUMENT NUMBER 1995-375530, OFFICIAL RECORDS OF SAID COUNTY, SAID 40.00 FEET WIDE STRIP BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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APN: 0168-351-11-0-00
November 22, 2019

Jessica Grevin
Costal Business Group
24310 Moulton Pkwy, Suite O
Laguna Hills, CA 92637

Regarding: Approval of CUP No. 135

Dear Ms. Grevin,

This letter is to inform you that your request for CUP No. 1135 was approved by the Planning Commission on November 12, 2019. The approval was to allow for the construction of a 60 feet high mono-eucalyptus wireless facility with 12 panel antennas, 36 remote radio units, 6 surge suppressors, 1 equipment shelter, and a generator, at the property at 33280 Valalla Lane near the unincorporated community of Mentone (APN: 0168-351-10 and 11)

If you have any questions please do not hesitate to contact me at 909-798-7555 or at clin@cityofredlands.org.

Respectfully,

Catherine Lin, AICP
Principal Planner

Attached: Signed Planning Commission Resolution No. 1484
RESOLUTION NO. 1484

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF REDLANDS APPROVING CONDITIONAL USE PERMIT NO. 1135, TO CONSTRUCT A 55 FEET HIGH MONO-EUCALYPTUS WIRELESS FACILITY WITH 12 PANEL ANTENNAS, 36 REMOTE RADIO UNITS, 6 SURGE SUPPRESSORS, 1 EQUIPMENT SHELTER, AND A GENERATOR, AT THE VACANT PROPERTY LOCATED AT THE EASTERN TERMINUS OF VALALLA LANE (ASSESSOR’S PARCEL NUMBERS 0168-351-10-0000 AND 0168-351-11-0000), NEAR THE UNINCORPORATED COMMUNITY OF MENTONE.

WHEREAS, Jessica Grevin d.b.a. Costal Business Group on behalf of AT&T, has submitted an application for Conditional Use Permit No. 1135 to construct a fifty-five foot (55’’) high mono-eucalyptus with a new cell wireless facility mounted on stealth branches, as well as associated ground equipment within an equipment shelter. The project site is located on an undeveloped parcel immediately south of the Santa Ana River Trail, at the eastern terminus of Valalla Lane, near the unincorporated community of Mentone.

WHEREAS, notice of this Planning Commission public hearing was duly published in the Redlands Daily Facts by the City of Redlands; and

WHEREAS, on November 12, 2019, the Planning Commission held a public hearing and considered the staff report, oral report, the testimony and the written evidence submitted by and on behalf of the applicant and by members of the public; and

WHEREAS, CEQA Guidelines Section 15303 provides for exemption from environmental review in accordance with the California Environmental Quality Act related to small structures and equipment facilities; and

WHEREAS, following the public hearing for the Conditional Use Permit, the Planning Commission determined that approval of the requested Conditional Use Permit and project is in the best interests of the public health, safety and general welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF REDLANDS AS FOLLOWS:

Section 1. California Environmental Quality Act. The proposed project is exempt from environmental review in accordance with the California Environmental Quality Act per Section 15303 (New Construction or Conversion of Small Structures) of the CEQA Guidelines.

Section 2. Findings for Approval. The proposed Conditional Use Permit is hereby approved based upon the following findings of fact, and subject to the Conditions of Approval contained in Exhibit A attached hereto.
1. That the proposed development will not adversely affect the applicable land use plans of the city.

The proposed development will not adversely affect the applicable land use plans of the City as wireless telecommunication facilities are permitted in any zone within the City, subject to approval of a conditional use permit and the proposed facility complies with all the development requirements outlined in the Open Land ("O") District and RMC Chapters 18.124 and 18.178.

2. That the proposed development will not be detrimental to the public health, safety and welfare.

The proposed development will not be detrimental to the public health, safety, and welfare as the project location is on undeveloped raw land along Santa Ana River Trail. It is sufficiently separated from any existing homes, and is mostly obstructed from view from vehicular traffic. In addition, conditions of approval have been included to minimize the project’s visual and aesthetic impacts on surrounding land uses.

3. That the proposed development will comply to the maximum extent feasible with the regulations of the city's general plan, the applicable zoning district and the city's development standards.

The proposed development complies with the regulations of the City’s General Plan, the applicable development standards of the Open Land ("O") District and those of Chapter 18.178, Wireless Service Facilities.

4. That the proposed development is appropriate at the proposed location.

The proposed development is appropriate as it is being located on undeveloped land owned by the San Bernardino Valley Municipal Water District along the Santa Ana River Trail, behind the Crafton Hills Pump Station. The proposed location is generally not accessible to the general public and is sufficiently separated from any existing homes.

Section 3. Expiration Date. The expiration date for Conditional Use Permit No. 1135 shall be November 12, 2021, unless a building permit has been issued and construction commenced thereto, or an extension of time has been granted in accordance with the Redlands Municipal Code.

Section 4. Effective Date. This Resolution shall become effective upon adoption.

ADOPTED AND APPROVED this 12th day of November, 2019.

Conrad Guzkowski, Chair, Planning Commission
EXHIBIT A
CONDITIONS OF APPROVAL
CONDITIONAL USE PERMIT NO. 1135


2. Unless the construction has commenced pursuant to a building permit, or a time extension is granted in accordance with Code, this application shall expire two (2) years from Planning Commission approval.

3. This approval is for the construction of a fifty-five (55) foot tall wireless telecommunications facility, attaching 12 panel antennas, 36 remote radio units, 6 surge suppressors, 1 equipment shelter and a generator, at the property identified as Accessor Parcel Numbers 0168-350-10-0000 and 0168-651-11-0000, at the eastern terminus of Valalla Lane, near the unincorporated community of Mentone.

4. All plans submitted to the City shall reflect all Planning Commission or City Council approvals and any other changes required by the Commission, Council, and/or staff. This condition applies to site plans, landscape plans, elevations, grading, and all other illustrations, text, or plans submitted to the City in connection with the project.

5. The project shall be maintained in a manner as to preserve the aesthetics of the camouflaging materials and landscaping on site. Worn or damaged camouflaging materials shall be replaced in kind.

6. No final sign-off of building permits shall occur or a Certificate of Occupancy shall be granted until all conditions of approval have been satisfied.

7. The applicant shall not make any modifications or changes during construction that are in conflict or contrary to the project's approved site design, grading plan, landscape plan, or building elevations without first consulting with the Development Services Director or his designee.

8. The project site shall be kept in a weed and dust free condition throughout all periods of development.

9. Transformer cabinets and commercial gas meters shall not be located within required setbacks and shall be screened from public view either by architectural treatment or with landscaping. Multiple electrical meters and panels shall be fully enclosed and incorporated into the overall architectural design of the building(s). Backflow preventers shall be enclosed with landscaping that will provide complete screening upon maturity. The location and method of enclosure or screening of this equipment shall be shown on the construction plans and landscape plans prior to building permit issuance. Location of said equipment shall be coordinated with appropriate utility company (i.e.,
Southern California Gas Company or Southern California Edison Company). The applicant shall submit plans showing details of screening subject to review and approval by the Development Services Director, prior to issuance of building permits.

10. The project contractor shall place all stationary construction equipment so that emitted noise is directed away from sensitive receptors nearest to the project site.

11. The construction contractor shall locate equipment staging areas that will create the greatest practical distance between construction-related noise sources and noise-sensitive receptors nearest to the project site during all project construction.

12. Construction contractors shall provide the Building & Safety Division a name and phone number of a contact person in the event that noise levels become disruptive. The name and phone number shall be posted on site, informing the public who to contact.

13. Pursuant to Government Code Section 66020(d), certain fees, dedications, reservations or exactions imposed by the City as a condition of approval of this project are subject to a statutory ninety (90) day protest period. Please be advised that the ninety (90) day protest period for those fees, dedications, reservations and exactions which are subject to Government Code Section 66020(a) has commenced to run on the date this project was approved by the City.

14. The applicant for this permit, and its successors and assigns, shall defend, indemnify and hold harmless the City of Redlands, and its elected officials, officers, agents and employees, from and against any and all claims, actions, and proceedings to attack, set aside, void or annul the approval of this permit by the City, or brought against the City due to acts or omissions in any way connected to the applicant’s project that is the subject of this permit. This indemnification shall include, but not be limited to, damages, fees, costs, liabilities, and expenses incurred in such actions or proceedings, including damages for the injury to property or persons, including death of a person, and any award of attorneys’ fees. In the event any such action is commenced to attack, set aside, void or annul all, or any, provisions of this permit, or is commenced for any other reason against the City for acts or omissions relating to the applicant’s project, within fourteen (14) City business days of the same, the applicant shall file with the City a performance bond or irrevocable letter of credit (together, the “Security”) in a form and in an amount satisfactory to the City, to ensure applicant’s performance of its defense and indemnity obligations under this condition. The failure of the applicant to provide the Security shall be deemed an express acknowledgement and agreement by the applicant that the City shall have the authority and right, without objection by the applicant, to revoke all entitlements granted for the project pursuant to this permit. The City shall have no liability to the applicant for the exercise of City’s right to revoke this permit.

15. The applicant shall insure that all equipment proposed as part of the wireless telecommunication facility that produces, receives, or transmits radio frequency emissions does so in compliance with Federal Communications Commission’s RF rules. Non-compliance may result in the revocation of this Conditional Use Permit.
16. The applicant shall provide appropriate stealth treatment as determined by the Planning Commission (proposed as a mono-eucalyptus) to camouflage the tower with its surroundings and minimize impacts to visual aesthetics. A mono-eucalyptus shall include “full foliage” with a tapered trunk. Simulated foliage for a mono-eucalyptus shall begin at a height not less than fifteen feet (15’), the span of the foliage (north end to south end and east end to west end) at its widest point shall be a minimum of fifteen feet (15’). A mono-eucalyptus shall contain a minimum of 6 branches per every 1.5 feet starting at 15 feet high and ending at fifty-five (55) feet, including a five-foot crown with the bottom crown branches a minimum of six feet in length for simulation of a real eucalyptus, or an amount and appropriate screening method as determined appropriate by the Planning Commission. The trunk/monopole shall have a full simulated bark exterior from the ground up. The antenna panels/sectors and supports shall be painted to match the simulated foliage and shall not project beyond the branches of the mono-eucalyptus. The design of the mono-eucalyptus shall mimic a real eucalyptus tree as close as possible, with small branches along all main branches to provide thick foliage for concealment of antennas, dishes, and all support structures to the satisfaction of the Development Services Director.

17. All antennas and appurtenances shall be painted to match the mono-eucalyptus or covered in “socks”, and substantially screened with branches and leaves.

18. All wires shall be enclosed within the trunk of the facility and antenna arms. Any exposed wiring that must pass from ports within the trunk to connect to antenna locations shall be painted to match the foliage of the tree and shall not pass in front of any exterior antenna.

19. In the event the proposed wireless facility becomes permanently inactive or abandoned, applicant shall remove the tower and associated structures. The site shall be returned to its original condition.

_________________________
Brian Desatnik,
Development Services Director
ATTEST:

Linda McCasland
Secretary to the Planning Commission

I, Linda McCasland, Secretary to the Planning Commission of the City of Redlands, hereby certify that the foregoing resolution was duly adopted by the Planning Commission at a regular meeting thereof held on the 12th day of November, 2019, by the following vote:

AYES: 7
NOES: 0
ABSENT: 8
ABSTAIN: 0

Linda McCasland, Secretary to the Planning Commission
Exhibit B

REDLANDS MUNICIPAL UTILITIES AND ENGINEERING DEPARTMENT
DEVELOPMENT REQUIREMENTS
CONDITIONAL USE PERMIT NO. 1135

Date of P.C. Meeting: November 12, 2019
Applicant: Jessica Grevin (On Behalf of AT&T)
Location: 33280 Valalla Lane
Project Description: Construct a 55 Feet High Mono-Eucalyptus Wireless Facility with 12 Panel Antenna

The applicant shall comply with the following engineering requirements to allow for the orderly development of the surrounding area and for public health and safety.


No requirements at this time.

CHRIS BOATMAN
Interim Director of Municipal Utilities and Engineering Department

DONALD YOUNG
One Stop Permit Center Manager

Initial
DATE:       June 9, 2020
TO:         Board of Directors’ Workshop - Engineering
FROM:       Wen Huang, Chief Engineer
            Mike Esquer, Sr. Project Manager
SUBJECT:    Consider Fourth Joint Facilities Agreement with San Gorgonio Pass Water Agency

This memorandum provides a brief history of pipeline capacity rights agreements with the San Gorgonio Pass Water Agency (SGPWA) and discusses the proposed Fourth Joint Facilities Agreement (Fourth Agreement) between Valley District and SGPWA with the purchase price and terms of capacity in certain facilities that were contemplated in the Third Joint Facilities Agreement.

Background:
Valley District (District) entered into the First Joint Facilities Agreement with the SGPWA on July 13, 1970. The Second Joint Facilities Agreement with SGPWA was signed on February 10, 1986. The Second Agreement was amended to incorporate new local facilities not covered in the original agreement. The main purpose of the two agreements, among other things, was to allow SGPWA to buy capacity in planned District facilities, including the Foothill, Greenspot, Santa Ana River Crossing (SARC) and Yucaipa Pipelines.

Subsequently, the District and SGPWA entered into a Capacity Rights Agreement with the State of California Department of Water Resources (DWR) to assign the capacity rights and rights of way in existing local facilities on July 14, 1998, as part of the East Branch Extension (EBX) Phase I Project. The Capacity Rights Agreement was later amended on August 20, 1999. The respective capacity rights of Valley District and SGPWA described in the two Joint Facilities Agreement were assigned to DWR in the Capacity Rights Agreement. After the EBX Phase II project was
completed, the Board of Directors approved the Third Joint Facilities Agreement with SGPWA on February 17, 2015, which amended the capacity rights of the District and SGPWA to conform to the enhanced capacities of the new EBX facilities. In this agreement, purchases price and sales terms of certain capacities in the pipeline facilities with SGPWA were contemplated.

To formalize the purchase price and sale terms for the associated capacity rights that were contemplated in the Third Joint Facilities Agreement, the Fourth Agreement (attached) has since been developed collaboratively by Valley District and SGPWA staff. This includes the SGPWA purchasing a 32 cubic feet per second in the Foothill Pipeline and the District purchasing back SGPWA’s unused capacity in other local facilities in anticipation of the Enhanced Recharge and the Bunker Hill Conjunctive Use Projects. The attached agreement is being reviewed by Counsel from both agencies. Any non-substantive revisions suggested by Counsel will be incorporated in the final agreement before consideration by the Board of Directors at a future meeting.

**Financial Impact:**
There is a positive fiscal impact as SGPWA will pay the District a net sum of $3,129,634 for the additional capacity rights in the Foothill pipeline after deducting the cost of the capacity rights the District is buying back from SGPWA. This revenue will go into the FY 20/21 General Fund Budget.

**Staff Recommendations:**
Staff recommends the Fourth Joint Facilities Agreement between San Bernardino Valley Municipal Water District and San Gorgonio Pass Water Agency, upon satisfactory review by Counsel of both agencies, be forwarded to a future Board of Directors' Meeting for consideration.

**Attachments:**
1. DRAFT Fourth Joint Facilities Agreement
2. Third Joint Facility Agreement Exhibits A and B
FOURTH JOINT FACILITIES AGREEMENT

BETWEEN

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT AND
SAN GORGONIO PASS WATER AGENCY

THIS FOURTH JOINT FACILITIES AGREEMENT ("Fourth Agreement") is made as of the Fourth Agreement Effective Date by and between the SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, a municipal water district ("District"), and the SAN GORGONIO PASS WATER AGENCY, a public agency ("Agency"). The District and Agency may be referred to herein individually as “Party” and collectively as “Parties.”

RECITALS

A. Water Supply Contract. The Parties, and the Department of Water Resources of the State of California ("DWR"), in 1961 and 1962, entered into long-term water supply contracts providing that DWR will supply certain quantities of water from the State Water Resources Development System terminus at the Devil Canyon Power Plant ("East Branch") to District and Agency on certain terms and conditions (collectively, “Water Supply Contract”).

B. Joint Facilities Agreements. On July 16, 1970, District and Agency executed an agreement entitled “Joint Facilities Agreement” ("First Agreement") which provides for their joint participation in the construction of certain pipeline facilities. The Parties entered into an additional agreement entitled “Second Joint Facilities Agreement”, dated February 10, 1986 ("Second Agreement"), which provides for the participation by Agency in additional facilities already constructed by District and in future additional facilities to be constructed by District. The Second Agreement further provides that Agency shall be entitled to the use of District facilities for the transmission of State Water Project water and Agency’s capacity rights in said facilities as set forth in the First Agreement and in the Second Agreement. The Parties entered into an additional agreement entitled “Third Joint Facilities Agreement”, dated February 17, 2015 ("Third Agreement"), which transferred capacity rights for some local facilities, subject to later agreement confirming the purchase price and terms and conditions of such transfers. For purposes of convenience, these three agreements are referred to as the “First, Second, and Third Agreements” herein.

C. East Branch Extension. In 1995 and 1996, the Parties and DWR entered into Agreements to extend the East Branch to a point near the Agency’s northern boundary. These agreements are entitled the California Aqueduct East Branch Extension To San Gorgonio Pass Participation Agreement [Preliminary Design], dated November 27, 1995, and the California Aqueduct East Branch Extension To San Gorgonio Pass Participation Agreement [Final Design], dated August 17, 1996, as well as amendments thereto (collectively, “Participation Agreement”). The Participation Agreement provides for the extension of the State Water Project Facility, Edmund G. Brown California Aqueduct, and the East Branch from Devil Canyon Power...
Plant through District’s service area to Agency’s service area near Little San Gorgonio Creek and South Noble Creek Spreading Grounds ("East Branch Extension"). In 1998, pursuant to the Participation Agreement, the Parties agreed to participate in Phase 1 of the East Branch Extension and for District and Agency to assign and lease certain facilities to DWR (“EBX 1”). District and Agency entered into an agreement with DWR entitled Agreement to Assign Capacity Rights and Rights of Way in Existing Facilities, dated July 14, 1998, to assign capacities in existing facilities (“Capacity Rights Agreement”). DWR agreed to proceed with design and construction of Phase 2 facilities (“EBX 2”) upon request of District and Agency.

D. **Capacity Rights in Local Owned Facilities.** Pursuant to the First, Second, and Third Agreements, the Parties currently own the following capacity rights in the following facilities, as quantified by cubic feet per second ("cfs"):  

1. **Foothill Pipeline.** District - 224 cfs; Agency - 64 cfs; Total - 288 cfs.  
2. **Santa Ana River Crossing ("SARC”) Pipeline.** District - 56 cfs; Agency - 16 cfs; Total - 72 cfs.  
3. **Greenspot Pump Station.** District -54 cfs; Agency: 16 cfs; Total - 70 cfs  
4. **Morton Canyon Pipeline.** District - 542 cfs; Agency - 16 cfs; Total - 70 cfs.  
5. **Greenspot Pipeline I, II & III.** District - 54 cfs; Agency - 16 cfs; Total - 70 cfs.  
6. **Yucaipa Pipeline.** District - 44 cfs; Agency - 16 cfs; Total - 60 cfs  
7. **Tate Pump Station.** District - 42 cfs; Agency - 0 cfs; Total - 42 cfs  
8. **Tate Pipeline.** District - 48 cfs; Agency - 0 cfs; Total - 48 cfs  

E. **Capacity Rights.** As a result of the completion of the EBX 2 project and execution of the Third Agreement, the Parties seek to formalize and finalize the purchase and sale of certain capacity rights and the purchase price and terms and conditions thereof in certain local owned facilities (“Local Facilities”). The Local Facilities are detailed in Exhibit A to the Third Agreement. Recital D of this Fourth Agreement sets forth the capacity rights of each Party in the Local Facilities as a result of the Third Agreement and as of the Fourth Agreement Effective Date.

F. **Coordination and Support; EBX Joint Powers Agreement Relating to the Operation and Maintenance of the East Branch Extension.** District and Agency recognize that they each have beneficial interests in the East Branch Extension and each desires to coordinate and support the efforts of the other in meeting the retail water demands within their respective service areas. District, Agency, and DWR have recently approved an agreement to define and provide the responsibilities for the operation, maintenance, communication, and control of the entire East Branch Extension (“EBX Joint Powers Agreement”). This Fourth
Agreement is separate and independent of the EBX Joint Powers Agreement and does not modify or amend the EBX Joint Powers Agreement.

G. **Purchase Price for Third Agreement Capacity Rights Purchases.** As required under the Third Agreement, the Parties desire to enter into this Fourth Agreement in order to finalize the purchase price of, and set forth the terms and conditions of payment for, purchase and sale of certain capacity rights and principles related to ownership, operation, and maintenance costs of the Local Facilities as they relate to the transportation of State Water Project water through the East Branch Extension from the Devil Canyon Hydroelectric Plant in San Bernardino to the terminus of the East Branch Extension in Cherry Valley.

H. **Methodology.** The Parties have agreed to use the allocation of costs and valuation methodology in *Exhibit A* attached hereto and incorporated herein by reference. The adjusted cost of the Local Facilities was indexed using the Engineering News Record Construction Cost Index and annual depreciation was calculated using the straight-line method of depreciation and the estimated useful life of the Local Facilities. The Parties have agreed that all purchase prices in this Fourth Agreement shall be calculated as of December 2019, as shown on Exhibit A to this Fourth Agreement.

**AGREEMENT**

1. **Incorporation of Recitals.** The Recitals set forth above are incorporated herein and made an operative part of this Fourth Agreement.

2. **Purchase of Capacity Rights in Local Facilities.**

   a. **Foothill Pipeline Phase 1 and Portion of Phase 2 (from Devil Canyon Power Plant to station 745+59).** Pursuant to Section 2(a)(i) of the Third Agreement, Agency is deemed to have purchased from District thirty-two (32) cfs of capacity rights in the above-described reach of the Foothill Pipeline. Agency shall pay to District the purchase price of Three Million Nine Hundred Ten Thousand One Hundred Eleven Dollars and Ninety-Four Cents ($3,910,111.94) for such capacity rights, calculated as shown on Exhibit A to this Fourth Agreement and payable as described in Section 3 of this Fourth Agreement.

   b. **Foothill Pipeline Portion of Phase 2 (from station 745+59 to SARC Pipeline).** Pursuant to Section 2(b)(i) of the Third Agreement, District is deemed to have purchased from Agency sixteen (16) cfs of capacity rights in the above-described reach of the Foothill Pipeline. District shall pay to Agency the purchase price of Two Hundred Fifty-Two Thousand One Hundred Seventy-Six Dollars and Forty-Five Cents ($252,176.45) for such capacity rights, calculated as shown on Exhibit A to this Fourth Agreement and payable as described in Section 3 of this Fourth Agreement.

   c. **Tate Pump Station.** Pursuant to Section 2(h) of the Third Agreement, District is deemed to have purchased from Agency ten (10) cfs of capacity rights in the above-described pump station. District shall pay to Agency the purchase price of Ninety-Five Thousand Five Hundred Forty-Eight Dollars and Forty-Four Cents ($95,548.44) for such capacity rights,
calculated as shown on Exhibit A to this Fourth Agreement and payable as described in Section 3 of this Fourth Agreement.

d. **Tate Pipeline.** Pursuant to Section 2(i) of the Third Agreement, District is deemed to have purchased from Agency sixteen (16) cfs capacity in the above-described pipeline. District shall pay to Agency the purchase price of Four Hundred Thirty-Two Thousand Seven Hundred Fifty-Three Dollars and Five Cents ($432,753.05) for such capacity rights, calculated as shown on Exhibit A to this Fourth Agreement and payable as described in Section 3 of this Fourth Agreement.

3. **Terms of Purchase.** The net purchase price of all purchases set forth in Section 2 of this Fourth Agreement is Three Million One Hundred Twenty-Nine Thousand Six Hundred Thirty-Four Dollars and Zero Cents ($3,129,634.00) ("Net Purchase Price"), with Agency owing this amount to District. Agency shall pay the Net Purchase Price to District within thirteen (13) months after the Fourth Agreement Effective Date. Payment may be made in one or more installments, at the discretion of Agency.

4. **Use of Available Capacity.**

Pursuant to Section 6(b) of the Third Agreement, the Parties hereby agree that the wheeling rate to be paid by the requesting Party for water wheeled through the other Party’s unused capacity shall be Zero Dollars ($0.00) per acre-foot. Except as expressly modified in this Fourth Agreement, all other provisions of Section 6 of the Third Agreement shall remain in full force and effect.

5. **Ownership.**

Title to the Local Facilities shall be vested exclusively in District, subject to the contractual rights of Agency and the rights of DWR, as described herein. The rights and obligations of the Parties to the Local Facilities as set forth herein shall run with and bind the facilities designated herein for joint use.

6. **Shutdown.**

District may temporarily discontinue or reduce the delivery of water to Agency hereunder for the purposes of necessary investigation, inspection, maintenance, repair or replacement of any facilities pertaining to this Fourth Agreement. District shall notify Agency as far in advance as feasible of any such discontinuance or reduction, except in cases of emergency for which advance notice need not be given but District shall provide Agency with notice of the situation as soon as reasonably feasible. District shall make reasonable attempts to coordinate scheduled shutdown with Agency in order to minimize interruptions to Agency’s delivery of State Water Project water.

7. **General Provisions.**

a. **Fourth Agreement Effective Date.** This Fourth Agreement shall be effective on the date of full execution of this Fourth Agreement by both parties ("Fourth Agreement Effective Date").
b. **Compliance with Legal, Regulatory, and Permit Requirements.** The Parties shall perform their respective activities under this Fourth Agreement in a skillful and workmanlike manner, in compliance with all applicable laws, regulations, permits, and agreements, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Each Party shall be liable to the other Party for all violations of laws and regulations in connection with the respective activities.

c. **Term and Termination.** The term of this Fourth Agreement shall extend from the Fourth Agreement Effective Date for a term that is coterminous with the Water Supply Contract. This Fourth Agreement shall remain in effect during the term unless earlier terminated under the following procedures:

i. If either Party to this Fourth Agreement believes that the other Party has failed to perform any obligation of that Party in accordance with the terms of this Fourth Agreement (“Default”), the Party alleging the Default shall provide written notice (“Default Notice”) to the other Party, setting forth the nature of the alleged Default. Unless otherwise provided by a specific term of this Fourth Agreement, the Party claimed to be in Default shall have:

   A. with respect to a Default involving the payment of money, ten (10) days after its receipt of the Default Notice to completely cure such Default; and

   B. with respect to any other type of Default, thirty (30) days from the receipt of the Default Notice to completely cure such Default or, if such Default cannot reasonably be cured within such thirty (30) day period, to commence the cure of such Default within the thirty (30) day period and diligently prosecute the cure to completion thereafter.

ii. If the Party claimed to be in Default does not cure such Default within the time periods and procedures as set forth herein, the Party alleging Default may then pursue the applicable legal and equitable remedies.

d. **Indemnification.** Pursuant to Government Code section 895.4, each Party (“Indemnitor”) shall indemnify, defend, and hold harmless the other Party and the other Party’s directors, officers, employees, contractors, agents, and representatives of each of them (collectively, “Indemnitees”) from and against any and all claims, demands, losses, fines, penalties, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies of whatever nature (including reasonable attorneys’ fees) (collectively, “Claims”) arising out of or related to the performance of, or failure to perform, Indemnitor’s obligations under this Fourth Agreement, except to the extent that such Claims are caused by the sole negligence or willful misconduct of Indemnitees. The provisions of this Section 7.d shall survive the expiration or other termination of this Fourth Agreement.

e. **Relationship of the Parties.** Nothing contained in this Fourth Agreement shall be deemed or construed by the Parties or by any third person to create the relationship of principal and agent, or partnership or joint venture, or any association between the Parties, and none of the provisions contained in this Fourth Agreement or any act of the Parties shall be deemed to create any relationship other than as specified herein, nor shall this Fourth Agreement
be construed, except as expressly provided herein, to authorize any of the Parties to act as the agent for the other.

f. **Jurisdiction and Venue.** This Fourth Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding any choice of laws provision that would apply the laws of any other jurisdiction. Any suit, action, or proceeding brought in connection with this Fourth Agreement shall be brought and maintained exclusively in the Superior Court of San Bernardino County, California.

g. ** Entire Agreement.** This Fourth Agreement is intended by the Parties as a complete and exclusive statement of the terms of their agreement and it supersedes all prior agreements, written or oral, as to this subject matter. This Fourth Agreement may be modified only upon the mutual written agreement of the Parties hereto.

h. **Further Acts.** Each Party agrees to perform any further acts and to execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Fourth Agreement.

i. **Notices.** All notices, requests, demands or other communications required or permitted under this Fourth Agreement shall be in writing unless provided otherwise in this Fourth Agreement and shall be deemed to have been duly given and received on: (i) the date of service if served personally on the Party to whom notice is to be given at the address(es) provided below, (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid, addressed as provided below. Except as provided otherwise in this Fourth Agreement, email addresses are provided for courtesy copies only, and notice may not be given by email. Either Party may change the place for the giving of notice to it by thirty (30) days prior written notice to the other Party as provided herein.

If to Agency: San Gorgonio Pass Water Agency  
Attn: General Manager  
1210 Beaumont Avenue  
Beaumont, CA 92223  
(951) 845-2577

If to District: San Bernardino Valley Municipal Water District  
Attn: General Manager  
380 East Vanderbilt Way  
San Bernardino, CA 92408  
(909) 387-9211

with a copy to: Varner & Brandt, LLP  
Attn: Brendan W. Brandt  
3750 University Avenue, Suite 610  
Riverside, CA 92501  
(951) 274-7777
j. **Representation of Authority.** Each Party represents to the other that it has the authority to enter into this Fourth Agreement and that the individual signing this Fourth Agreement on behalf of their respective Parties has the authority to execute this Fourth Agreement and to bind their respective Parties to the terms and conditions of this Fourth Agreement.

k. **Invalidity and Severability.** If any portion of this Fourth Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

l. **Counterparts.** This Fourth Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument. Signatures may be delivered electronically or by facsimile and shall be binding upon the Parties as if they were originals.

[Signature Page Follows]
IN WITNESS WHEREOF, each of the Parties has caused this Fourth Agreement to be executed by its respective duly authorized officers.

SAN GORGONIO PASS WATER AGENCY

By: ______________________________
Name: ______________________________
Its: ______________________________

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: ______________________________
Name: ______________________________
Its: ______________________________
FOURTH JOINT FACILITIES AGREEMENT

EXHIBIT A

CAPACITY RIGHTS PURCHASE PRICE CALCULATIONS
# EXHIBIT A

## CAPACITY RIGHTS PURCHASE PRICE CALCULATIONS

### Foothill Pipeline Phase 1

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<th>Cost Associated with</th>
<th>Section 2a</th>
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<tr>
<td>Original costs of pipeline</td>
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<td>Adjusted cost of pipeline (Dec 1974 to Dec 2019)</td>
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<td>Amount of Depreciation of pipeline based on adjusted costs</td>
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<td>(yrs of service x yearly depreciation)²</td>
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<td>Final Adjusted cost of pipeline (Adjusted Cost - Depreciation)</td>
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<td>Value of pipeline per flow rated capacity (Cost ($) / RFC (CFS))</td>
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</table>

### Cost of addition capacity in pipeline for SGPWA

<table>
<thead>
<tr>
<th>Cost Associated with</th>
<th>Section 2a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year pipeline placed in operation</td>
<td>1974</td>
</tr>
<tr>
<td>Estimated Useful Life (Years)</td>
<td>75</td>
</tr>
<tr>
<td>Years in service</td>
<td>46</td>
</tr>
<tr>
<td>Annual Depreciation per Year (Cost/75 years)</td>
<td>$ 321,176.76</td>
</tr>
<tr>
<td>Rated Flow Capacity (RFC) of pipeline</td>
<td>288</td>
</tr>
<tr>
<td>Additional flow capacity to be purchased by SGPWA</td>
<td>32</td>
</tr>
</tbody>
</table>

### Foothill Pipeline Phase 2 (From Foothill Pipeline Phase 1 to Station 745+59)

<table>
<thead>
<tr>
<th>Cost Associated with</th>
<th>Section 2a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original costs of pipeline</td>
<td>$ 14,576,335.98</td>
</tr>
<tr>
<td>Adjusted cost of pipeline (Dec 1977 to Dec 2019)</td>
<td>$ 68,095,650.91</td>
</tr>
<tr>
<td>Amount of Depreciation of pipeline based on adjusted costs</td>
<td>$ 37,679,593.50</td>
</tr>
<tr>
<td>(yrs of service x yearly depreciation)²</td>
<td></td>
</tr>
<tr>
<td>Final Adjusted cost of pipeline (Adjusted Cost - Depreciation)</td>
<td>$ 30,416,057.40</td>
</tr>
<tr>
<td>Adjusted cost of pipeline per LF</td>
<td>$ 507.72</td>
</tr>
<tr>
<td>Cost for portion of pipeline SGPWA to purchase additional capacity</td>
<td>$ 25,876,881.36</td>
</tr>
<tr>
<td>Value of pipeline per flow rated capacity (Cost ($) / RFC (CFS))</td>
<td>$ 89,850.28</td>
</tr>
</tbody>
</table>

### Cost of addition capacity in pipeline for SGPWA

<table>
<thead>
<tr>
<th>Cost Associated with</th>
<th>Section 2a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year pipeline placed in operation</td>
<td>1977</td>
</tr>
<tr>
<td>Estimated Useful Life (Years)</td>
<td>75</td>
</tr>
<tr>
<td>Years in service</td>
<td>41.5</td>
</tr>
<tr>
<td>Annual Depreciation per Year (Cost/75 years)</td>
<td>$ 907,942.01</td>
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<tr>
<td>Rated Flow Capacity (RFC) of pipeline</td>
<td>288</td>
</tr>
<tr>
<td>Total lineal feet (LF) of pipeline</td>
<td>59907.0</td>
</tr>
<tr>
<td>LF of pipeline SGPWA to purchase 32 cfs additional capacity</td>
<td>50966.7</td>
</tr>
<tr>
<td>Additional flow capacity to be purchased by SGPWA</td>
<td>32</td>
</tr>
</tbody>
</table>
### EXHIBIT A
CAPACITY RIGHTS PURCHASE PRICE CALCULATIONS

#### Foothill Pipeline Phase 2 (Station 745+59 to SARC Pipeline)

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost Associated with Section 2b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original costs of pipeline</td>
<td>$14,576,335.98</td>
</tr>
<tr>
<td>Adjusted cost of pipeline (Dec 1977 to Dec 2019)</td>
<td>$68,095,650.91</td>
</tr>
<tr>
<td>Amount of Depreciation of pipeline based on adjusted costs</td>
<td>$37,679,593.50</td>
</tr>
<tr>
<td>Adjusted cost of pipeline per LF</td>
<td>$507.72</td>
</tr>
<tr>
<td>Final Adjusted cost of pipeline (Adjusted Cost - Depreciation)</td>
<td>$30,416,057.40</td>
</tr>
<tr>
<td>Value of pipeline per flow rated capacity (Cost ($) / RFC (CFS))</td>
<td>$15,761.03</td>
</tr>
<tr>
<td>Cost of addition capacity in pipeline for SBVMWD</td>
<td>$252,176.45</td>
</tr>
</tbody>
</table>

#### Tate Pump Station

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost Associated with Section 2c</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original costs of pipeline</td>
<td>$1,464,225.00</td>
</tr>
<tr>
<td>Adjusted cost of pipeline (Dec 1991 to Dec 2019)</td>
<td>$2,672,886.46</td>
</tr>
<tr>
<td>Amount of Depreciation of Pump Station based on adjusted costs</td>
<td>$855,323.67</td>
</tr>
<tr>
<td>Final Adjusted cost of pipeline (Adjusted Cost - Depreciation)</td>
<td>$1,817,562.80</td>
</tr>
<tr>
<td>Value of pipeline per flow rated capacity (Cost ($) / RFC (CFS))</td>
<td>$43,275.30</td>
</tr>
<tr>
<td>Cost of capacity in Tate pump station purchased from SGPWA by SBMWD</td>
<td>$432,753.05</td>
</tr>
</tbody>
</table>
### CAPACITY RIGHTS PURCHASE PRICE CALCULATIONS

<table>
<thead>
<tr>
<th>Tate Pipeline</th>
<th>Cost Associated with Section 2d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original costs of pipeline</td>
<td>$231,482.00</td>
</tr>
<tr>
<td>Adjusted cost of pipeline (Dec 1991 to Dec 2019)</td>
<td>$457,412.72</td>
</tr>
<tr>
<td>Depreciation of pipeline based on adjusted costs (yrs of service x yearly depreciation)</td>
<td>$(170,767.42)</td>
</tr>
<tr>
<td>Final Adjusted cost of pipeline (Adjusted Cost - Depreciation)</td>
<td>$286,645.31</td>
</tr>
<tr>
<td>Value of pipeline per flow rated capacity (Cost ($) / RFC (CFS))</td>
<td>$5,971.78</td>
</tr>
</tbody>
</table>

**Cost of capacity in pipeline purchased from SGPWA by SBVMWD**

- Year pipeline placed in operation: 1991
- Estimated Useful Life (Years): 75
- Years in service: 28
- Annual Depreciation per Year (Cost/75 years): $6,098.84
- Rated Flow Capacity (RFC) of pipeline: 48
- Capacity to be purchased from SGPWA by SBVMWD: 16

**SUMMARY OF ADDITIONAL CAPACITY PURCHASE BY SGPWA AND CAPACITIES PURCHASED BACK FROM SGPWA**

- Price of addition capacity in Foothill Pipeline Phase 1 for SGPWA: $1,034,902.90
- Price of addition capacity in Foothill Pipeline Phase 2 for SGPWA: $2,875,209.04
- Price of capacity in Foothill Pipeline Phase 2 (Station 745+60 to SARC Pipeline) purchased back from SGPWA by SBVMWD: $(252,176.45)
- Price of capacity in Tate Pump Station purchased back from SGPWA by SBVMWD: $(432,753.05)
- Price of capacity in Tate Pipeline purchased back from SGPWA by SBVMWD: $(95,548.44)

**Net purchase price of new capacity to be paid by SGPWA**: $3,129,634.00

---

Note 1: Cost Escalation increase was calculated utilizing the Engineering News Record Construction Cost Index.

Note 2: Depreciation was calculated using straight line depreciation method and Estimated Useful Life.
EXHIBIT - A
SBVMWD OWNED FACILITIES IDENTIFIED IN THE THIRD JOINT FACILITIES AGREEMENT TO BE USED FOR SWP CONVEYANCE
November 21, 2014

<table>
<thead>
<tr>
<th>FACILITY</th>
<th>REACH 1</th>
<th>REACH 2a</th>
<th>REACH 2b</th>
<th>REACH 2c</th>
<th>REACH 3b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foothill Pipeline</td>
<td>Capacity: 288 cfs</td>
<td>Capacity: 288 cfs</td>
<td>Capacity: 288 cfs</td>
<td>Capacity: 288 cfs</td>
<td>Capacity: 288 cfs</td>
</tr>
<tr>
<td>(to Sta. 745+59)</td>
<td>SBVMWD: 256 cfs</td>
<td>SBVMWD: 256 cfs</td>
<td>SBVMWD: 256 cfs</td>
<td>SBVMWD: 256 cfs</td>
<td>SBVMWD: 256 cfs</td>
</tr>
<tr>
<td>SARC Pipeline</td>
<td>Capacity: 72 cfs</td>
<td>Capacity: 72 cfs</td>
<td>Capacity: 72 cfs</td>
<td>Capacity: 72 cfs</td>
<td>Capacity: 72 cfs</td>
</tr>
<tr>
<td></td>
<td>SBVMWD: 56 cfs</td>
<td>SBVMWD: 56 cfs</td>
<td>SBVMWD: 56 cfs</td>
<td>SBVMWD: 56 cfs</td>
<td>SBVMWD: 56 cfs</td>
</tr>
<tr>
<td></td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
</tr>
<tr>
<td>M.C.C. Pipeline</td>
<td>Capacity: 70 cfs</td>
<td>Capacity: 70 cfs</td>
<td>Capacity: 70 cfs</td>
<td>Capacity: 70 cfs</td>
<td>Capacity: 70 cfs</td>
</tr>
<tr>
<td></td>
<td>SBVMWD: 54 cfs</td>
<td>SBVMWD: 54 cfs</td>
<td>SBVMWD: 54 cfs</td>
<td>SBVMWD: 54 cfs</td>
<td>SBVMWD: 54 cfs</td>
</tr>
<tr>
<td></td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
</tr>
<tr>
<td>Greenspot Pipeline</td>
<td>Capacity: 70 cfs</td>
<td>Capacity: 70 cfs</td>
<td>Capacity: 70 cfs</td>
<td>Capacity: 70 cfs</td>
<td>Capacity: 70 cfs</td>
</tr>
<tr>
<td></td>
<td>SBVMWD: 54 cfs</td>
<td>SBVMWD: 54 cfs</td>
<td>SBVMWD: 54 cfs</td>
<td>SBVMWD: 54 cfs</td>
<td>SBVMWD: 54 cfs</td>
</tr>
<tr>
<td></td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
</tr>
<tr>
<td>Yucaipa Pipeline</td>
<td>Capacity: 60 cfs</td>
<td>Capacity: 60 cfs</td>
<td>Capacity: 60 cfs</td>
<td>Capacity: 60 cfs</td>
<td>Capacity: 60 cfs</td>
</tr>
<tr>
<td></td>
<td>SBVMWD: 44 cfs</td>
<td>SBVMWD: 44 cfs</td>
<td>SBVMWD: 44 cfs</td>
<td>SBVMWD: 44 cfs</td>
<td>SBVMWD: 44 cfs</td>
</tr>
<tr>
<td></td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
<td>SGPWA: 16 cfs</td>
</tr>
</tbody>
</table>

LEGEND:
- Existing Facilities
- (NOT USED for EBX CONVEYANCE)
- Existing Facilities
- (USED for EBX CONVEYANCE)
- EBX Phase I Pipelines and Facilities
- EBX Phase I Improvements
- (Yucaipa Connector Pipeline & (Crafton Hills Res. Enlargement)
- NEW EBX Phase II Pipelines and Facilities
EXHIBIT - B:
PARTIES CAPACITY IN LOCAL FACILITIES DESCRIBED IN THE THIRD JOINT FACILITIES AGREEMENT AND CAPACITIES ASSIGNED TO DWR

<table>
<thead>
<tr>
<th>EBX Reach</th>
<th>Facility Name</th>
<th>Total Capacity</th>
<th></th>
<th>Capacity to be Assigned to DWR</th>
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<th>Notes</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>SBVMWD Capacity</td>
<td>SGPWA Capacity</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>cfs</td>
<td>cfs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>SBVMWD Turnout</td>
<td>288</td>
<td>224</td>
<td>64</td>
<td></td>
<td>1,8</td>
</tr>
<tr>
<td>1</td>
<td>Foothill Pipeline</td>
<td>288</td>
<td>224</td>
<td>64</td>
<td></td>
<td>1,8</td>
</tr>
<tr>
<td>2a</td>
<td>Foothill Pipeline</td>
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<td>92</td>
<td>16</td>
<td></td>
<td>2,9</td>
</tr>
<tr>
<td>2a</td>
<td>SARC Pipeline</td>
<td>72</td>
<td>56</td>
<td>16</td>
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<td>3,9</td>
</tr>
<tr>
<td>2b</td>
<td>Greenspot PS</td>
<td>70</td>
<td>54</td>
<td>16</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>2b</td>
<td>MCC Pipeline</td>
<td>70</td>
<td>54</td>
<td>16</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>2c</td>
<td>Greenspot Pipeline</td>
<td>70</td>
<td>54</td>
<td>16</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Tate PS</td>
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<td>0</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Tate Pipeline</td>
<td></td>
<td>48</td>
<td>0</td>
<td>0</td>
<td></td>
<td>7</td>
</tr>
</tbody>
</table>

1. From Devil Canyon turnout to Foothill Pipeline Station 745+59. An SBVMWD owned facility.
2. From Foothill Pipeline Station 745+59 to SARC (78-inches and 72-inches). An SBVMWD owned facility.
3. SARC—42 inches. An SBVMWD owned facility.
4. Greenspot Pump Station. 2-20 cfs pumps and 3-10 cfs pumps. Originally a SBVMWD facility expanded as part of EBX 1.
5. Morton Canyon Connector Pipeline. An SBVMWD owned facility.
7. Not part of the East Branch Extension Capacity Rights Agreement
8. DWR assigned capacity shown includes capacity option for Agency to purchase additional 32 cfs capacity from District. (DWR EBX PUFF for Reach based on future Agency capacity of 64 cfs)
9. DWR assigned capacity shown includes capacity option for District to buy back additional 16 cfs capacity from Agency. (EBX PUFF for Reach based on future Agency capacity of 16 cfs)