APPENDIX L

WATER SUPPLY ASSESSMENT

Locust Gateway Water Supply Assessment

JANUARY 2025

WEST VALLEY WATER DISTRICT



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JANUARY 2025

Prepared by Water Systems Consulting, Inc

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ACRONYMS & ABBREVIATIONS

ADA	Americans with Disabilities Act
AF	Acre Feet
AFY	Acre Feet per Year
APN	Assessor Parcel Number
CEQA	California Environmental Quality Act
CIMIS	California Irrigation Management Information System
CMLC	Cement Mortar Lined and Coated
CWC	California Water Code
DU	Dwelling Unit
DWR	Department of Water Resources
EIR	Environmental Impact Report
ET	Evapotranspiration
EV	Electric Vehicle
FY	Fiscal Year
GIS	Geographic Information System
GPCD	Gallons per Capita per Day
GPM	Gallons per Minute
MG	Million Gallons
MGD	Million Gallons per Day
MSL	Mean Sea Level
OSY	Operating Safe Yield
SB	Senate Bill
SBB	San Bernardino Basin
SCAG	Southern California Association of Governments
SF	Square Feet
SWP	State Water Project
UMWP	Urban Water Management Plan

WFF	Water Filtration Facility
WFMP	Water Facilities Master Plan
WSA	Water Supply Assessment
WSC	Water Systems Consulting
WSCP	Water Shortage Contingency Plan

1.0 Introduction and Purpose

This Water Supply Assessment (WSA) was prepared on behalf of Kimley-Horn for West Valley Water District (WVWD) by Water Systems Consulting, Inc. (WSC) to satisfy the requirements of California Water Code (CWC) Section 10910 (Senate Bill 610) for the Locust Gateway Development Project (Project), which is proposed by Brookfield Properties (Applicant). The Project lies within the city limits of the City of Rialto (City) and is located within WVWD's water service area. The City is the Lead Agency for the Project's Environmental Impact Report (EIR) which is required by the California Environmental Quality Act (CEQA).

As required by Senate Bill 610 (SB 610), WVWD is responsible for assessing whether the total projected water supplies available during average, single dry, and multiple dry water years during a 20-year projection will meet the projected water demand for the Project, in addition to WVWD's existing and planned future uses. A water supplier's Urban Water Management Plan (UWMP) serves as a foundational document for a WSA. The water demands of the proposed Project were not accounted for in WVWD's *Upper Santa Ana River Watershed 2020 Integrated Regional Urban Water Management Plan* (2020 IRUWMP) (Water Systems Consulting, Inc. and Woodard & Curran, June 2021), as submitted to the California Department of Water Resources (DWR) in June 2021. Updated projections have been incorporated into this document to reflect the most recent supply and demand information. Additional information from other sources is also incorporated into this WSA to document supplies from all sources, including groundwater and purchased water. Documentation includes identifying and quantifying water rights, contracts, and/or entitlements to the supply. Kimley-Horn must provide the results of the assessment to the City, as the Lead Agency, for inclusion in the CEQA document for the Project. This WSA includes the following:

- Overview of WVWD's water system (Section 2.0)
- Description of the Project and proposed water demand (Section 3.0 and 4.0)
- Information on WVWD's current and projected water supplies (Section 5.0)
- Comparison of WVWD's service area water supplies and water demands for average, single dry, and multiple dry years (Section 6.0)
- Determination of the WVWD water service area water supply sufficiency (Section 7.0)

1.1 Legislation

The City has determined that the Project is subject to review under CEQA (*Public Resources Code, Section 21000 et seq.*), and the state CEQA Guidelines (*California Code of Regulations, Section 15000 et. seq.*) The City has determined that the Project is a "project" as defined in CWC 10912 and has determined that a WSA is required for the Project.

SB 610 amended the Public Resources Code, effective January 1, 2002, to incorporate CWC requirements for certain types of development projects to improve the link between information on water supply availability and certain land use decisions made by cities and counties. SB 610

seeks to promote more collaborative planning between local water suppliers, cities and counties by requiring detailed information regarding water availability to be provided to the city and county decision-makers prior to approval of specified large development projects.

Under SB 610, water suppliers must prepare WSAs for projects meeting certain project size criteria and deliver them to local governments for inclusion in any environmental documentation. The Project requires a WSA because it includes a proposed industrial, manufacturing, or processing plant, or industrial park planned to house more than 1,000 persons, occupying more than 40 acres of land, or having more than 650,000 square feet of floor area. The Project exceeds the criteria for building square footage.

1.2 Definitions

For the purposes of this WSA, the following defined terms are used:

- **Groundwater production:** The amount of water produced from the San Bernardino Basin (including the Bunker Hill and Lytle subbasins), Rialto-Colton, Riverside North, and Chino Basins. These groundwater supply sources enter WVWD's distribution system based on metered flows at each well.
- **Surface Water:** The amount of water produced from Lytle Creek.
- **Purchased Water:** The amount of water imported from the State Water Project (SWP) through San Bernardino Valley Municipal Water District (San Bernardino Valley) and put into the distribution system based on metered flows at the Lytle Turnout off the San Gabriel Feeder Pipeline.
- **Consumption:** The amount of billed metered water consumed by customers. WVWD provided annual consumption data for 2021-2023.
- **Demand:** The amount of water distributed through the entire water system, which is the sum of groundwater production, surface water, and purchased water. Demand includes non-revenue water, which is equal to the difference between water put into the distribution system and consumption.
- **Non-revenue Water**: Unmetered water use and losses from the distribution system due to leaks, unauthorized connections, or theft.
- **Unit Factor:** The calculated amount of water demand per unit (e.g., acre, square feet, dwelling unit, etc.) of a specific type of use (e.g., land use, development type, business type, etc.).

2.0 Public Water System Overview

WVWD is located in the southwest region of San Bernardino County, California, and serves the Cities of Rialto, Fontana, Colton, and Jurupa Valley, and unincorporated areas of San Bernardino County. Figure 1 shows WVWD's service area.

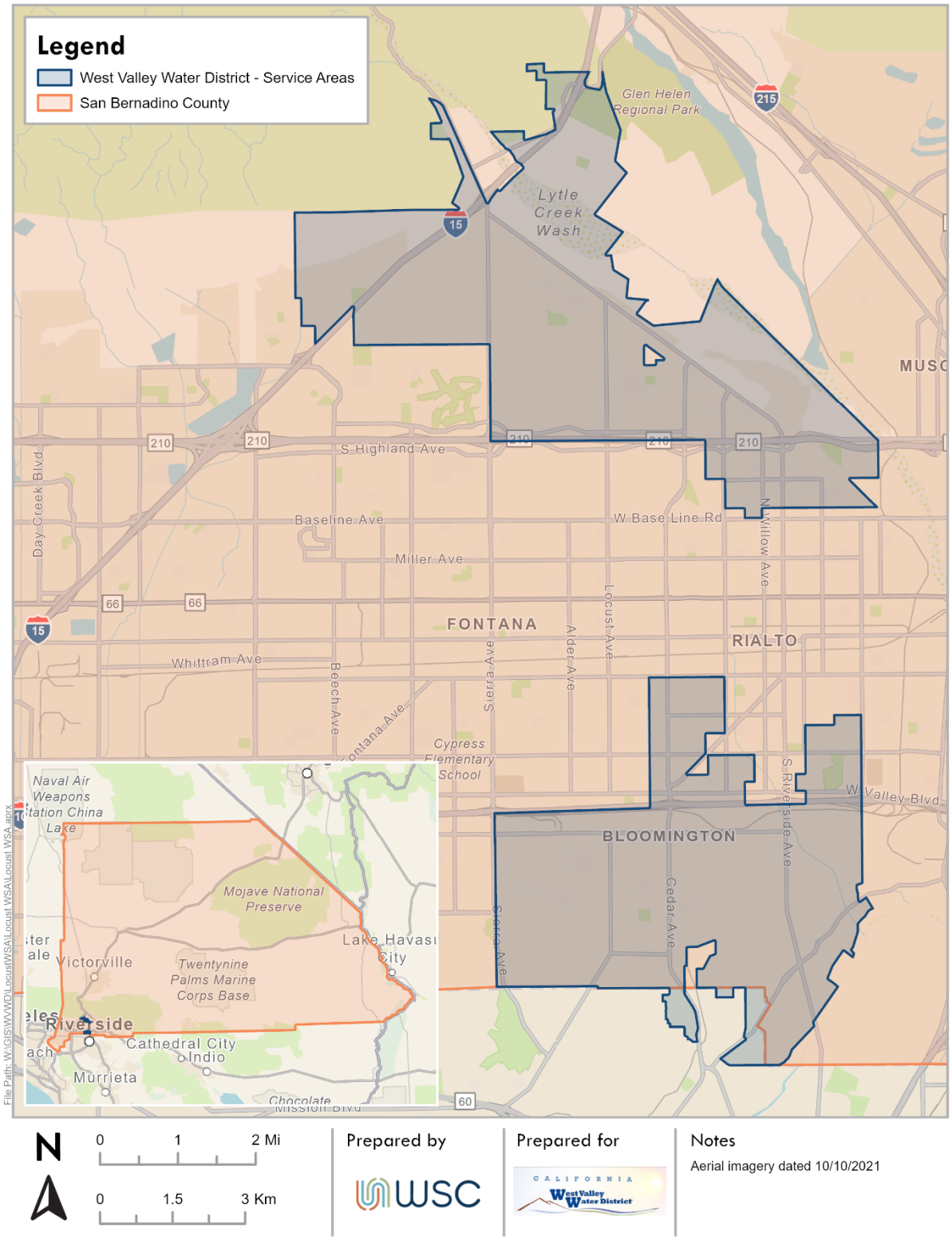


Figure 1. WVWD Service Area Overview

The Project is located entirely within WVWD's northern service area section. WVWD's total water service area encompasses approximately 31 square miles and is located approximately 50 miles east of Los Angeles. WVWD is bounded by the City of Fontana to the west, the City of San Bernardino to the east, the U.S. Forest Service boundary to the north, and the County of Riverside to the south.

2.1 Climate

WVWD's climate is characterized by hot, dry summers and cool winters with intermittent precipitation. Table 2-1 presents average climate data for the service area, including temperature, rainfall, and reference evapotranspiration (ETo). As shown in Table 2-1, the warmest months of the year are July and August, with an average temperature of 80 degrees Fahrenheit (°F), while the coldest month of the year is January with an average temperature of 53.4°F.

The monthly average precipitation at WVWD is about 1.2 inches; estimated annual average precipitation is 14.8 inches. As shown in Table 2-1, the majority of the rainfall occurs in the months of December through March. January and March are the wettest months with an average rainfall of approximately 2.4 inches.

Table 2-1. Historical Temperature, Rainfall and Reference Evapotranspiration (ETo) Data

Month	Average Temperature (°F)	Average Precipitation (in.)	Average Standard ETo (in.)
January	53.4	2.46	2.22
February	53.8	2.12	2.84
March	57.6	2.42	4.11
April	63.9	1.13	5.58
May	66.4	0.68	5.97
June	73.9	0.37	7.17
July	80.2	0.75	8.21
August	80.3	0.85	7.51
September	76.6	0.58	5.65
October	69.1	0.55	4.39
November	60.4	1.12	2.91
December	53.6	1.75	2.04

Note:
Data provided from the California Irrigation Management Information System (CIMIS) weather station 251 in Highland, CA; average values provided based on data from 2017 through 2023.

2.2 Service Area Population

The current and projected population for WVWD's water service area is shown in Table 2-2. The population projections were prepared as part of the 2020 IRUWMP. 2020 population was

determined using the California Department of Water Resources (DWR) Geographic Information Systems (GIS)-based tool (DWR Tool) to estimate the population within WVWD's service area using census data and the number of service connections. Future population was projected based on the 2020 WVWD Water Facilities Master Plan (WFMP). Based on various growth rates identified in the WFMP, it was estimated that population between 2020 and 2025 would grow at 2.84%, then reduce to an annual growth rate of 1.5% from 2025 through 2045 (AKEL Engineering Group, Inc., July 2020).

Table 2-2. WVWD Water Service Area Projected Population Growth

	2020	2025	2030	2035	2040	2045
WVWD Water Service Area Population	89,101	102,490	110,410	118,943	128,136	138,039

Note: Population projection developed in the 2020 IRUWMP (Water Systems Consulting, Inc. and Woodard & Curran, June 2021).

2.2.1 Other Demographic Factors

WVWD provides services to a variety of customers, including single family, multi-family, commercial, industrial, institutional, landscape irrigation, hydrant, golf course, fire service, and agricultural irrigation accounts. WVWD also provides wholesale water through an interconnection with Marygold Mutual Water Company. Based on information gathered in the 2020 IRUWMP, approximately 44 percent of households within WVWD are considered very low and low-income households (Water Systems Consulting, Inc. and Woodard & Curran, June 2021).

3.0 Project Description

The Project area consists of 40 acres on one parcel in the central portion of the City of Rialto in San Bernadino County, California. The Project site is identified as Assessor Parcel Number (APN) 0239-19-223 and is bordered by West Lowell Street to the north, existing light industrial uses to the east, the Mid Valley Landfill to the south, and North Alder Avenue to the west; as shown in Figure 2.

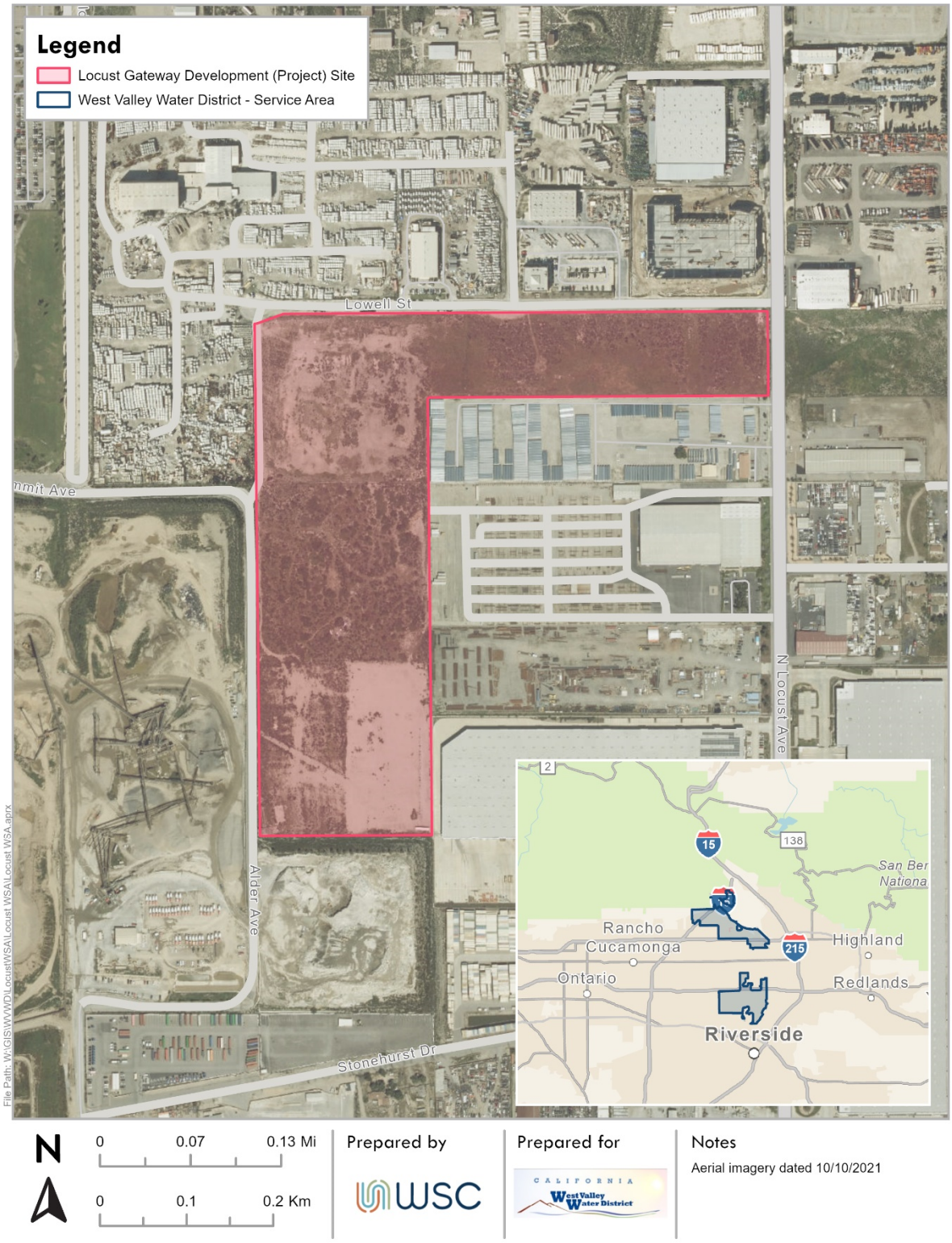


Figure 2. Project Location

The Applicant is proposing to develop an industrial warehouse building with 82 dock doors, surface parking, and a truck trailer storage lot. The 666,265-square-foot (sf) warehouse would have 656,265 sf of warehouse space, 5,000 sf of office space, and 5,000 sf of an office mezzanine. The proposed Project would include 291 standard parking stalls, 8 Americans with Disabilities Act (ADA) stalls, and 74 electric vehicle (EV) stalls for a total of 373 stalls. The truck trailer storage lot would have up to 372 trailer spots. Vehicular access to the project site would be from West Lowell Street and North Locust Avenue.

4.0 Water Demand Analysis

A water demand factor was applied to the projected development units (acres) to estimate Project demands. The factor was selected from the WFMP and applied to the Project area. The City designated the Project's land use as industrial which corresponds to the WFMP's industrial water demand factor category, while the Rialto Airport Specific Plan designated the parcel as General Manufacturing (Robert Bein, William Frost & Associates, 1997). However, to be consistent with previous WSAs completed for WVWD which address warehouse uses, the heavy industrial demand factor will be used for this analysis as a conservative estimate. The estimated heavy industrial water demand factor applied is provided in Table 4-1.

Table 4-1. Project Water Demand

Use	Area (acres)	WFMP Demand Factor[1] (gpd/acre)	Demand (AFY)
Heavy Industrial	39.91	1,530	68

1 – Demand factor provided in the 2020 WFMP Table 3-4 (AKEL Engineering Group, Inc., July 2020)

Historical usage for the existing customer at the Project site was 0 AFY; therefore, the net additional Project demand is approximately 68 AFY, as shown in Table 4-2. If the actual land use specified for this Project changes, the associated water demand may change and would need to be reevaluated.

Table 4-2. Net Project Demand, AFY

	Demand, AFY
Existing Site Industrial Demand	0
Total Existing Project Site Demand	**0**
Net Additional Industrial Project Demand	68
Total Site Demand	**68**

Note: Existing customer use based on historical billing records for 2020.

The Project is anticipated to be completed as early as the end of 2025. For the purposes of this WSA, it is assumed the Project will be developed by 2025. For this reason, the Project demand was compared to the demands projected within the 2020 IRUWMP starting in 2025. The 2020 IRUWMP reports projections every five years (2025, 2030, 2035, 2040, and 2045). Table 4-3 shows the 2020 IRUWMP historical and projected demands by customer class. The projected

net demands for the Pepper Commerce Center WSA (119 AFY) and Bloomington Business Park WSA (236 AFY), which were proposed after the 2020 IRUWMP, are also included in Table 4-3 to account for the net increase in demand over time. In addition, the demands associated with the single-family and institutional land uses redeveloped as part of the Bloomington Business Park WSA are reflected in Table 4-3.

Table 4-3. 2020 IRUWMP Historic and Projected Demands

Customer Class	Demand, AFY[1, 2]					
	2020	2025	2030	2035	2040	2045
Single-Family[3]	12,049	13,715	14,647	15,578	16,509	17,440
Multi-Family	481	553	591	628	665	702
Commercial	1,689	1,943	2,073	2,204	2,334	2,465
Industrial[4]	623	1,115	1,282	1,330	1,378	1,426
Institutional[5]	860	972	1,039	1,105	1,172	1,238
Landscape Irrigation	2,161	2,485	2,652	2,819	2,986	3,153
Hydrant	272	313	334	355	376	397
Golf Course	-	-	-	-	-	-
Fire Service	5	5	6	6	7	7
Agricultural Irrigation	70	81	86	92	97	103
Water Losses	1,889	2,513	2,682	2,851	3,020	3,189
TOTAL[6]	**20,099**	**23,694**	**25,391**	**26,967**	**28,543**	**30,119**

1 – Demand for 2020 provided in Table 10-3 of the 2020 IRUWMP
2 – Demand for 2025 – 2045 provided in Table 10-5 of the 2020 IRUWMP.
3 – Single-family demands here differ from the 2020 IRUWMP because they exclude the existing 144 AFY single-family use of the Bloomington Business Park site to be redeveloped.
4 – Industrial demands here differ from the 2020 IRUWMP because they include the demands from the Pepper Commerce Center (119 AFY) and Bloomington Business Park (236 AFY), WSAs prepared after the 2020 IRUWMP.
5 – Institutional demands here differ from the 2020 IRUWMP because they exclude the existing institutional use of 17 AFY from the Bloomington Business Park WSA site to be redeveloped.
6 –Demand totals updated to reflect the changes to the 2020 IRUWMP projections.

The demand for the Project was compared to existing and future projected demands summarized in the 2020 IRUWMP. The 2020 IRUWMP projected a 94 AFY increase of industrial demands from 2020 to 2025, which is more than the Project's net demand. The net Project demand was added to the demands from the 2020 IRUWMP, as shown in Table 4-4 below.

Table 4-4. 2020 IRUWMP Historic and Projected Demands with the Addition of Net Project Demand

Customer Class	Demand, AFY[1, 2]					
	2020	2025	2030	2035	2040	2045
Single-Family[3]	12,049	13,715	14,647	15,578	16,509	17,440
Multi-Family	481	553	591	628	665	702
Commercial	1,689	1,943	2,073	2,204	2,334	2,465
Industrial[4]	623	1,183	1,350	1,398	1,446	1,494
Institutional[5]	860	972	1,039	1,105	1,172	1,238
Landscape Irrigation	2,161	2,485	2,652	2,819	2,986	3,153
Hydrant	272	313	334	355	376	397
Golf Course	-	-	-	-	-	-
Fire Service	5	5	6	6	7	7
Agricultural Irrigation	70	81	86	92	97	103
Water Losses	1,889	2,513	2,682	2,851	3,020	3,189
TOTAL[6]	20,098	23,763	25,460	27,036	28,612	30,188

1 – Demand for 2020 provided in Table 10-3 of the 2020 IRUWMP
2 – Demand for 2025 – 2045 provided in Table 10-5 of the 2020 IRUWMP.
3 – Single-family demands here differ from the 2020 IRUWMP because they exclude the existing single-family use of 144 AFY from the Bloomington Business Park WSA site to be redeveloped.
4 – Industrial demands here differ from the 2020 IRUWMP because they include the net Project demand and demands from Pepper Commerce Center (119 AFY) and Bloomington Business Park (236 AFY), WSAs prepared after the 2020 IRUWMP.
5 – Institutional demands here differ from the 2020 IRUWMP because they exclude the existing institutional use of 17 AFY from the Bloomington Business Park WSA site to be redeveloped.
6 –Demand totals updated to reflect the changes to the 2020 IRUWMP projections.

5.0 Water Supply Analysis

WVWD's distribution system is divided into eight pressure zones and utilizes 25 reservoirs for a total storage capacity of 72.6 million gallons (MG). WVWD also operates a 14.4 million gallons per day (MGD) water filtration facility. The following sections describe each water source in more detail. Additional details on each water supply source are provided in the 2020 IRUWMP.

5.1.1 Purchased or Imported Water

WVWD purchases SWP water from San Bernardino Valley through the Lytle Turnout off the San Gabriel Pipeline Feeder. Metering and transmission facilities are sized to enable WVWD to purchase and treat up to 20 million gallons per day (MGD), approximately 23,000 AFY, at final treatment plant expansion. SWP water is treated at WVWD's Oliver P. Roemer Water Filtration

Facility (WFF) and used for potable supply. WVWD is investigating the use of SWP water for groundwater recharge in the Lytle Creek Basin. In 2006, the WFF was expanded to increase production capacity to 14.4 MGD. In 2020, WVWD began the design of a 7.2 MGD expansion of the WFF to increase capacity to 21.6 MGD. The construction of the WFF expansion is expected to be completed by Spring 2025. WVWD has utilized SWP water through the Lytle Turnout since 1999. WVWD's historical purchased water for 2016 through 2023 is shown in Table 5-1.

Table 5-1. Historic Purchased Water Supplies, AFY

Water Supply	2016	2017	2018	2019	2020	2021	2022	2023
SWP Water	2,839	2,653	4,042	3,649	3,342	4,979	2,399	1,187
Baseline Feeder	3,380	3,151	3,701	3,512	3,616	2,797	4,750	3,766

5.1.2 Groundwater

WVWD draws the majority of its supply from its wells from five regional groundwater basins: Bunker Hill and Lytle Creek (which are both part of the San Bernardino Basin (SBB)), Rialto-Colton, Riverside North, and Chino Basins. All five basins have been adjudicated and are managed for long term sustainability. Details on adjudication and management are provided in the 2020 IRUWMP.

5.1.2.1 Bunker Hill and Lytle Creek (Part of SBB)

The SBB, labeled as the "San Bernardino Basin Area" in the Western-San Bernardino Judgment (Western Judgment), was defined by, and adjudicated in gross, by the Western Judgment in 1969. The SBB has a surface area of approximately 141 square miles and lies between the San Andreas and San Jacinto faults. The basin is bordered on the northwest by the San Gabriel Mountains and Cucamonga fault zone; on the northeast by the San Bernardino Mountains and San Andreas fault zone; on the east by the Banning fault and Crafton Hills; and on the south by a low, east-facing escarpment of the San Jacinto fault and the San Timoteo Badlands. Alluvial fans extend from the base of the mountains and hills that surround the valley and coalesce to form a broad, sloping alluvial plain in the central part of the valley. The SBB encompasses the Bunker Hill sub basin (DWR Number 8.02-06) defined by DWR and also includes a small portion of the Yucaipa Basin (8-02.07) and the Rialto-Colton Basin (8-02.04) as defined by DWR.

The Western Judgment established the natural safe yield of the SBB to be a total of 232,100 AFY for all extractions, including surface water diversions and groundwater pumping. The Western Judgment is provided in Appendix A. Surface water is diverted from Mill Creek, Lytle Creek, and the Santa Ana River.

The Western Judgment allocates 64,862 AFY of the safe yield, which equates to 27.95 percent, to the Plaintiffs. The Plaintiffs include the City of Riverside (the successor to the Riverside Water Company and the Gage Canal Company), Riverside Highland Water Company, Meeks & Daley Water Company, and Regents of the University of California. The Riverside County agencies

may not exceed their allocation unless they participate in “New Conservation” (explained below).

The Non-Plaintiffs’ (agencies within San Bernardino County, including WVWD) rights were defined in the Judgment as 167,238 AFY, which equates to 72.05 percent of the safe yield. San Bernardino agencies are allowed to extract more than 167,238 AFY from the SBB, as long as they import and recharge a like amount of water into the SBB. The Western-San Bernardino Watermaster provides an annual accounting of both the plaintiff and non-plaintiff extractions and a comparison to the safe yield. The Western Judgement requires the non-plaintiffs to provide replenishment water whenever the cumulative extractions exceed the cumulative safe yield. If the cumulative extractions are less than the cumulative safe yield, a “credit” is earned. In years when cumulative extractions are greater than their allocation, a “debit” is taken. To date, the cumulative extractions have been less than the cumulative safe yield since the Western Judgement was signed so that the non-plaintiffs have never been required to recharge the basin.

Recharge is also required to offset the export of water outside the SBB in excess of the amount recorded during the base period (1959-1963). Credits are earned for any new supplies such as stormwater capture. As of the accounting performed for the 2024 Annual Western-San Bernardino Watermaster Report, the Non-Plaintiffs have 596,248 AF of net credit accumulated in the SBB and are, therefore, not required to recharge. Although there is no recharge requirement under the Western Judgment, the Non-Plaintiffs have continued to recharge the SBB. (Western Municipal Water District, 2024)

WVWD, in a joint venture agreement with the City of Rialto, the Riverside Highland Water Company, and San Bernardino Valley, constructed 25,000 feet of 48-inch transmission line known as the Baseline Feeder, which delivers Bunker Hill groundwater to WVWD. Through this agreement, WVWD can receive up to 5,000 AFY of supply through this transmission line from San Bernardino Valley. WVWD has received water through the Baseline Feeder since 1998.

5.1.2.2 Lytle Creek Sub Basin

Lytle Creek Basin is part of the SBB, and it is not identified as a separate sub basin in DWR Bulletin 118-2003; however, the subbasin is an integral part of the Upper Santa Ana Valley Groundwater Basin and a major recharge area for both the Bunker Hill and Rialto-Colton sub basins. Historically, local agencies have recognized Lytle Creek sub basin as a distinct groundwater sub basin. In the Western Judgment, the Bunker Hill and Lytle Creek sub basins are combined into the SBB. However, the three separate water-bearing zones and intervening confining zones of the Bunker Hill sub basin are not observed in the Lytle Creek sub basin. Sediments within the Lytle Creek sub basin are, for the most part, highly permeable, and the aquifer has a high specific yield. High permeability and specific yield tend to result in an aquifer that responds rapidly to changes in inflow (precipitation and streamflow) and outflow (groundwater pumping, streamflow, and subsurface outflow).

Lytle Creek sub basin is adjoined on the west by the Rialto-Colton sub basin along the Lytle Creek fault, and on the east and southeast by the Bunker Hill sub basin along the Loma Linda fault and Barrier G. The northwestern border of the sub basin is delineated by the San Gabriel Mountains, and runoff from the mountains flows south/southeast through Lytle and Cajon Creeks into the basin.

Numerous groundwater barriers are present within Lytle Creek sub basin, resulting in six compartments within the sub basin. Barriers A through D divide the northwestern portion of the sub basin into five sub-areas, and the southeastern portion of the sub basin comprises the sixth sub-area. Barrier F divides the northwestern sub-areas from the southeastern sub-area. Studies have shown that the groundwater barriers are less permeable with depth. When groundwater levels are high during wet years, more leakage occurs across the barriers than when groundwater levels are lower (i.e., during dry years). The amount of pumping in each sub-area, in large part, controls the movement of groundwater across the barrier within the older alluvium but not the younger alluvium.

It is important to note that the water rights in Lytle Creek are set forth in long-standing court judgments governing the rights of the parties in that basin. The Lytle Creek Basin was adjudicated under the 1924 Judgment No. 17,030 from the Superior Court of San Bernardino County (Lytle Creek Judgment) and is managed by the Lytle Creek Water Conservation Association, which is made up of the successors to the stipulated parties of the Lytle Creek Judgment.

5.1.2.3 Rialto-Colton Basin

The Rialto-Colton subbasin underlies a portion of the upper Santa Ana Valley in southwestern San Bernardino County and northwestern Riverside County. This subbasin is about 10 miles long and varies in width from about 3.5 miles in the northwestern part to about 1.5 miles in the southeastern part. This subbasin is bounded by the San Gabriel Mountains on the northwest, the San Jacinto fault on the northeast, the Badlands on the southeast, and the Rialto-Colton fault on the southwest. The Santa Ana River cuts across the southeastern part of the basin. The basin generally drains to the southeast, toward the Santa Ana River. Warm and Lytle Creeks join near the southeastern boundary of the basin and flow to meet the Santa Ana River near the center of the southeastern part of the sub basin.

The groundwater extractions in the Rialto-Colton sub basin are governed by the Rialto Basin Decree, the Rialto Basin Settlement Agreement, and the Western Judgment. The Rialto-Colton Subbasin was adjudicated under the 1961 Decree No. 81,264 from the Superior Court of San Bernardino County (Rialto Basin Decree).

In any year in which the average of the elevation of the spring-high water level, measured in March, April, and May, in the three index wells is above 1002.3 feet mean sea level (MSL), WVWD has no restrictions on yearly extractions. When the average standing water level in the three index wells falls below 1002.3 feet MSL and is above 969.7 feet MSL, WVWD is restricted to total groundwater extractions of 6,104 AFY. When the average of the three index wells drops

below 969.7 feet MSL, ground water extractions are reduced for all parties stipulated in the decree by 1 percent per foot below the 969.7-foot level, but not to exceed 50-percent reduction. WVWD's total water right allocation of 6,104 AFY includes 510 AFY of fixed rights and 5,594 AFY that is adjustable and subject to the groundwater reductions specified in this section.

WVWD participates in the Rialto Basin Groundwater Council (Rialto Basin GC), which was formed in 2021. The Rialto Basin GC will develop, adopt, and implement a sustainable groundwater management plan, which will include implementing groundwater recharge projects to restore groundwater levels.

5.1.2.4 North Riverside Basin

The North Riverside Basin (the portion of the Riverside Basin Area in San Bernardino County) is part of the 1969 Judgment No. 117,628 (see Appendix B), under the Bunker Hill Basin. The Riverside Groundwater Basin is a large alluvial fill basin that is bounded by major faults and topographic barriers. Recharge to the basin occurs by the underflow from basins to the north, contributions from the Santa Ana River, and from percolation of surface water runoff from the surrounding uplands, in particular the Box Spring Mountains to the east. WVWD, which has no limits or restrictions on groundwater pumping in the basin, has been utilizing the North Riverside Basin for water supply for more than 60 years.

Extractions from the North Riverside Basin for use in Riverside County are limited to 21,085 AFY by the Judgment. Extractions for use in San Bernardino County are unlimited, provided that water levels at three index wells in the Rialto-Colton and Riverside North Basins stay above 822.04 feet MSL. The 2020 IRUWMP provided an estimate of 30,100 AFY as the sustainable supply from North Riverside for use in San Bernardino County, based on extractions from 1996 to 2005. San Bernardino Valley has budgeted to update the safe yield estimate prior to the next IRUWMP.

5.1.2.5 Chino Basin

The Chino Basin is an adjudicated basin managed by the Chino Basin Watermaster. The Chino Sub basin lies in the southwest corner of San Bernardino County. The Chino Sub basin is bordered to the east by the Rialto-Colton fault. In the other three directions, the Chino Sub basin is ringed by impermeable mountain rock; the San Gabriel Mountains to the north, and the Jurupa Mountains and Puente Hills to the south and southwest. Average annual precipitation across the basin is 17 inches. This part of the San Bernardino Valley is drained by San Antonio Creek and Cucamonga Creek southerly to the Santa Ana River.

On January 2, 1975, several Chino Basin producers filed suit in California State Superior Court for San Bernardino County (the "Court") to settle the problem of allocating water rights in the Chino Basin. On January 27, 1978, the Court entered a judgment in Chino Basin Municipal Water District v. City of Chino et al. (Chino Basin Watermaster Judgment, provided in Appendix D) adjudicating water rights in the Chino Basin and establishing the Chino Basin Watermaster. This Judgment adjudicated all groundwater rights in Chino Basin and contains a physical solution to meet the requirements of water users having rights in or dependent upon the Chino

Basin. The Judgment also appointed the Watermaster to account for and implement the management of the Chino Basin. The Judgment declared that the initial operating safe yield of the Chino Basin is 145,000 AFY. The Basin is managed through implementation of the Chino Optimum Basin Management Plan. Per the Judgment, WVWD owns rights to approximately 900 AFY of extraction rights. Extractions above that amount must be replenished with SWP water through a program with the Chino Basin Watermaster.

Due to water quality constraints, WVWD does not currently use their rights within the Chino Basin. WVWD is looking at options to utilize these rights, including nitrate treatment and delivery through interties with other agencies. By 2030, WVWD may use this supply directly.

WVWD's historical groundwater production for 2016 through 2023 is shown in Table 5-2.

Table 5-2. Historical Groundwater Production, AFY

Groundwater Basin	2016	2017	2018	2019	2020	2021	2022	2023
Bunker Hill	5,452	5,640	5,777	4,508	5,549	6,227	6,605	5,608
Lytle Creek	1,850	2,365	2,416	2,572	3,078	3,763	5,996	4,287
Chino	-	-	-	-	-	-	-	-
Rialto-Colton	2,123	3,923	3,353	2,779	1,420	4,041	3,173	3,631
Riverside-Arlington	2,745	1,089	1,542	1,301	1,354	1,152	1,284	827
Total	**12,170**	**13,017**	**13,088**	**11,160**	**11,401**	**13,403**	**17,058**	**14,353**

5.1.3 Surface Water

WVWD utilizes local surface water from the east side of the San Gabriel Mountains, including North Fork Lytle Creek, Middle Fork Lytle Creek, and South Fork Lytle Creek. WVWD has the right to divert, and export out of the Lytle Creek Region, 2,290 gallons per minute (gpm) when it is available. WVWD can also purchase an additional 1,350 gpm of Lytle Creek flows through an agreement with the City of San Bernardino (San Bernardino is not able to utilize their surface water flows), which is treated at the Oliver P. Roemer WFF. WVWD also utilizes Lytle Creek surface water flows for groundwater recharge in the Lytle Creek Basin.

When the flows at the mouth of Lytle Creek Canyon drop below 7,182 gpm (798 miners inches), all diversion rights holders must reduce their diversions to a prorated schedule set in the 1897 McKinley Decree entered in Los Angeles Superior Court Case No. 20,790. If WVWD is not receiving its full Lytle Creek surface water allotment, they are permitted to make up the difference by additional pumping in the Lytle Creek Region. WVWD's historical surface water production is shown in Table 5-3.

Table 5-3. Historic Surface Water Supply, AFY

Surface Water Supply	2016	2017	2018	2019	2020	2021	2022	2023
Lytle Creek	2,026	4,540	3,748	4,023	5,356	3,442	4,098	6,473

5.2 Transfer Opportunities

WVWD currently has interconnections with the Fontana Water Company, Marygold Mutual Water Company, San Bernardino Valley, and the Cities of Rialto, Colton and San Bernardino which can be utilized as needed for short-term supply needs. These connections are not typically used for extended periods.

5.3 Future Water Projects

To meet future demands within the system, WVWD plans to rehabilitate existing wells, to drill new wells, and equip wells with wellhead treatment if required. These wells are planned for various groundwater basins and pressure zones within the distribution system. WVWD is expanding the Oliver P. Roemer Water Filtration Facility by 7.2 MGD for a total capacity of 21.6 MGD to allow additional treatment of SWP water, when available. When planning future water supply sources, WVWD selects projects that will provide sufficient supply to meet peak day demands. When possible, these sources are planned by pressure zone, thereby reducing the need to lift water to a higher zone.

As development progresses and increased demands are placed on the system, WVWD will determine which projects to implement. Although WVWD may not need to utilize each source to its full potential, construction of these water supply projects gives WVWD this option should one or more sources be off-line due to maintenance.

As part of the Rialto Basin GC, WVWD plans to collaborate with the other parties to implement groundwater recharge in the Rialto Basin to increase water levels. Increased water levels will result in an increase in WVWD's allowable pumping from the Rialto Basin, thereby increasing supply. The Rialto Basin GC will be developing a groundwater management plan that will identify recharge goals and projects, and the potential supply increase is not yet quantified.

5.4 Recycled Water

The wastewater collected within different portions of WVWD’s service area is treated by the City of Rialto, the City of Colton, San Bernardino County, or the Inland Empire Utilities Agency. In 2012, WVWD prepared a master plan to evaluate potential uses of recycled water within its service area. WVWD does not currently have a recycled water distribution system and is not pursuing recycled water use at this time because it is not cost effective to extend facilities from the wastewater treatment plants to the locations of potential use.

5.5 Water Supply Summary

WVWD's historical water supplies are summarized in Table 5-4.

Table 5-4. Summary of WVWD's Water Supplies, AFY

Water Supply	Additional Detail on Water Supply	2016	2017	2018	2019	2020	2021	2022	2023
Groundwater	Lytle Creek	1,850	2,365	2,416	2,572	3,078	3,763	5,996	4,287
	Riverside North	2,745	1,089	1,542	1,301	1,354	1,152	1,284	827
	Rialto-Colton	2,123	3,923	3,353	2,779	1,420	4,041	3173	3,631
	Bunker Hill	1,351	2,300	2,002	891	1,933	1,650	1,854	1,842
	Chino	0	0	0	0	0	0	0	0
Purchased or Imported Water	SWP Water	2,839	2,653	4,042	3,649	3,342	4,979	2,399	1,187
	Baseline Feeder	3,380	3,151	3,701	3,512	3,616	2,797	4,750	3,766
Surface Water	Lytle Creek	2,026	4,540	3,748	4,023	5,356	3,442	4,098	6,473
Total		**16,314**	**20,021**	**20,804**	**18,727**	**20,098**	**21,824**	**23,556**	**22,013**

WVWD plans to utilize a greater amount from each of its supply sources, up to the legal rights and availability. WVWD's available supplies for future years are summarized in Table 5-5. These quantities are established in the 2020 IRUWMP.

Table 5-5 Current and Projected Supplies, AFY

Water Supply	Additional Detail on Water Supply	2025	2030	2035	2040	2045
Groundwater	Bunker Hill (part of SBB)	2,052	2,353	3,554	4,754	6,455
	Bunker Hill (part of SBB, via Baseline Feeder)	5,000	5,000	5,000	5,000	5,000
	Lytle Creek (part of SBB)	2,900	2,900	2,900	2,900	2,900
	Rialto-Colton	4,426	4,538	4,650	4,761	4,873
	Riverside-Arlington	2,500	3,000	3,500	4,000	4,000
	Chino	-	900	900	900	900
Purchased or Imported Water	SWP – Rialto Colton Groundwater Supplemental Supply	-	-	-	-	-
	SWP - Direct Delivery	7,000	7,000	7,000	7,000	7,000
Surface Water	Lytle Creek	3,100	3,100	3,100	3,100	3,100
Total		**26,978**	**28,791**	**30,603**	**32,415**	**34,229**

5.6 Water Supply Reliability

WVWD performed a water service reliability assessment as part of the 2020 IRUWMP and assumed that demands could increase as much as 10% in single and consecutive dry year conditions. Although water use may decrease in later years of a multiple year drought, the reliability assessment assumed a 10% increase to be conservative.

San Bernardino Valley has been conducting groundwater recharge activities in the SBB since 1972 and participates in conjunctive use programs to store water in local groundwater basins during wet years for use in dry years. It is estimated that San Bernardino Valley and its agencies will benefit by increasing water levels, reducing pumping costs, and obtaining up to 88,500 AF of storage and up to 29,500 AF of dry year yield. Various planned groundwater recharge projects are outlined in the 2020 IRUWMP to help increase supply resiliency.

The effects of a local drought are not immediately recognized since the region uses the local groundwater basins to simulate a large reservoir for long term storage. While pumping rights from the Rialto Basin and available surface water may be reduced in dry years, WVWD is able to pump additional groundwater from Bunker Hill, Lytle, and Riverside North to meet total

demands in dry years and participates in efforts to replenish the basins with imported and local water through regional recharge programs. WVWD's total groundwater supplies are not reduced in dry years, so 2020 was considered the base year in the reliability analysis. Based on the analysis, WVWD does not anticipate any shortage due to single or consecutive dry years but participates in ongoing water conservation measures and regional recharge projects to optimize and enhance the use and reliability of regional resources. WVWD also has a water shortage contingency plan (WSCP) to put into action as appropriate to reduce the demand during critical drought years or other supply emergencies. WVWD's water shortage contingency plan is available in Part 4 of the 2020 IRUWMP and accessible at https://www.sbvmwd.com/reports/-folder-1120. The WSCP may be updated and adopted by WVWD staff as needed.

6.0 Water Supply and Demand Analysis

As noted in the previous section, WVWD has estimated that demands could increase by 10 percent during a single dry year in the reliability analysis conducted in the 2020 IRUWMP. During a multiple dry year period, it was assumed that demand could continue to exhibit the 10 percent increase as the most conservative estimate. It is expected that conservation messaging and restrictions would help reduce overall consumption.

Including 2020 IRUWMP, Net Project, and other WSA demands, Table 6-1 presents a comparison of supply and demand projections in a normal year, Table 6-2 presents a comparison of supply and demand projections in a single dry year, and Table 6-3 presents a comparison of supply and demand projections for multiple dry years. Demands shown here differ from the demands provided in the 2020 IRUWMP because they include the net increase in industrial demand required to serve the Project (68 AFY) and the additional demands identified in WSAs developed subsequent to the 2020 IRUWMP.

Table 6-1. Normal Year Supply and Demand Comparison, AFY

Totals	2025	2030	2035	2040	2045
Supply Totals	26,978	28,791	30,603	32,415	34,229
Demand Totals	23,764	25,459	27,035	28,612	30,188
Difference	3,214	3,332	3,568	3,803	4,041

Notes: Supply information provided in the 2020 IRUWMP Table 10-12. Demand totals updated to reflect addition of net Project demand and additional demands identified in WSAs developed subsequent to the 2020 IRUWMP including the Bloomington Business Park (236 AFY) and Pepper Commerce Center (119 AFY).

Table 6-2. Single Dry Year Supply and Demand Comparison, AFY

Totals	2025	2030	2035	2040	2045
Supply Totals	29,676	31,670	33,663	35,657	37,651
Demand Totals	26,110	27,963	29,697	31,430	33,164
Difference	3,566	3,707	3,966	4,227	4,487

Notes: Supply information provided in the 2020 IRUWMP Table 10-12. Demand totals updated to reflect addition of net Project demand and additional demands identified in WSAs developed subsequent to the 2020 IRUWMP including the Bloomington Business Park (236 AFY) and Pepper Commerce Center (119 AFY). WVWD's demands in single dry years are assumed to increase by 10% above normal year demands.

Table 6-3. Multiple Dry Year Supply and Demand Comparison, AFY

Year	Totals	2025	2030	2035	2040	2045
First Year	Supply Totals	29,676	31,670	33,663	35,657	37,651
	Demand Totals	25,873	27,963	29,697	31,430	33,164
	Difference	**3,803**	**3,707**	**3,966**	**4,227**	**4,487**
Second Year	Supply Totals	29,676	31,670	33,663	35,657	37,651
	Demand Totals	25,873	27,963	29,697	31,430	33,164
	Difference	**3,803**	**3,707**	**3,966**	**4,227**	**4,487**
Third Year	Supply Totals	29,676	31,670	33,663	35,657	37,651
	Demand Totals	25,873	27,963	29,697	31,430	33,164
	Difference	**3,803**	**3,707**	**3,966**	**4,227**	**4,487**
Fourth Year	Supply Totals	29,676	31,670	33,663	35,657	37,651
	Demand Totals	25,873	27,963	29,697	31,430	33,164
	Difference	**3,803**	**3,707**	**3,966**	**4,227**	**4,487**
Fifth Year	Supply Totals	29,676	31,670	33,663	35,657	37,651
	Demand Totals	25,873	27,963	29,697	31,430	33,164
	Difference	**3,803**	**3,707**	**3,966**	**4,227**	**4,487**

Notes: Supply information provided in the 2020 IRUWMP Table 10-12. Demand totals updated to reflect addition of net Project demand and additional demands identified in WSAs developed subsequent to the 2020 IRUWMP including the Bloomington Business Park (236 AFY) and Pepper Commerce Center (119 AFY). WVWD's demands in dry years are assumed to increase by 10% above normal year demands.

7.0 Determination of Water Supply Sufficiency

According to the 2020 IRUWMP, WVWD has adequate supplies to meet their customer demands and replacement water needs during average, single dry, and multiple dry years throughout the planning period. Even with the addition of the net Project demands, and project demands of two other completed WSAs, to the projected demands established in the 2020 IRUWMP, WVWD anticipates sufficient supply to serve the Project with additional surplus supply for as-needed use. It is concluded that WVWD has adequate supplies to meet demands during average, single dry, and multiple dry years throughout the planning period. Should this Project be completed prior to its planned year (2025), the conclusions of this WSA are not expected to change.

WVWD is committed to minimizing the need to import water from other regions. WVWD will continue aggressive water conservation efforts to implement various Demand Management Measures, helping to reduce the need for imported water.

7.1 Conditions of Approval

This assessment of reliable water supply is conditioned on the following items:

ITEM 1: The property owner will install water efficient devices and landscaping according to the California Green Building Code (CalGreen) as enforced by San Bernardino County and applicable requirements of the WVWD's water use efficiency ordinance(s), local, and state ordinances, if any, at the time of building permit issuance to reduce this Project's demand on WVWD water supplies.

ITEM 2(a): The Developer will be required to apply for and submit a plan check for the installation of all new water services associated with the development of this Project.

ITEM 2(b): The project shall install its water connections off the District's Zone 6, 12-inch water main along Locust Ave. Should the project require a second point of connection, it may utilize the 10-inch water main along Lowell St.

ITEM 2(c): All water improvements proposed for installation must be installed by one of the District's preapproved contractors. All development fees and deposits must be paid prior to construction of any water facilities.

ITEM 2(d): The Developer shall adhere to the most recent District's "Standards for Domestic Water Facilities" and "Water Service Rules and Regulations" and any amendments.

ITEM 3: This WSA will be reviewed every three (3) years from the WVWD Board approval date shown on the cover of this WSA until the Project begins construction. The property owner shall notify WVWD when construction has begun. The review will ensure that the information

included in this WSA remains accurate and no substantial changes to the Project or WVWD's water supply have occurred. If the property owner has not contacted WVWD within three (3) years of the WVWD Board approval date shown on the cover of this WSA, it will be assumed that the proposed Project no longer requires the estimated water demand calculated, the demand for this Project will not be considered in assessments for future projects, and the assessment provided by this document will become invalid.

ITEM 4(a): Based on present information, WVWD has determined that it will be able to provide adequate water supplies to meet the potable water demand for this Project in addition to existing and future uses. WVWD reserves the right to revisit this WSA in the event that the Project's actual water demand is greater than the Project's estimated demand reported in this WSA or if a substantial change in the scope of the Project occurs.

ITEM 4(b): This WSA is not a commitment to serve the Project, but a review of WVWD's supplies based on present information available.

References

AKEL Engineering Group, Inc. (July 2020). *2020 Water Facilities Master Plan.* Rialto: West Valley Water District.

Robert Bein, William Frost & Associates. (1997). *Rialto Airport Specific Plan.* Rialto.

Water Systems Consulting, Inc. and Woodard & Curran. (June 2021). *Upper Santa Ana River Watershed 2020 Integrated Regional Urban Water Management Plan.*

Western Municipal Water District. (2024). *Annual Report of the Western-San Bernadino Watermaster.* Western Municipal Water District.

Appendix A Lytle Creek Judgement & Surface Water Purchase Agreement

Copy

OF

Certified Copy

OF

JUDGMENT

Rendered in the Superior Court of San Bernardino County, California, on January 28th, 1924, in Action No. 17030 and Entitled:

"City of San Bernardino vs. Fontana Water Co. et al."

Recorded in Book 829, Page 293 of Deeds, San Bernardino County Records

Judgment

In the Superior Court of the State of California in and for the County of San Bernardino

CITY OF SAN BERNARDINO,
a municipal corporation,

Plaintiff.

vs.

FONTANA WATER COMPANY, a corporation, FONTANA UNION WATER COMPANY, a corporation, FONTANA POWER COMPANY, a corporation, FONTANA FARMS COMPANY, a corporation, FONTANA COMPANY, a corporation, LYTLE CREEK WATER AND IMPROVEMENT COMPANY, a corporation, CITIZENS LAND AND WATER COMPANY OF BLOOMINGTON, a corporation, RIVERSIDE HIGHLAND WATER COMPANY, a corporation, RANCHERIA WATER COMPANY, a corporation, MUTUAL LAND AND WATER COMPANY OF RIALTO, a corporation, TERRACE WATER COMPANY, a corporation, THE GAGE CANAL COMPANY, a corporation, RIVERSIDE TRUST COMPANY, LIMITED, a corporation, RIVERSIDE

No. 17030

ORANGE COMPANY, LIMITED, a corporation, CITY OF COLTON, a municipal corporation, GATE CITY ICE AND PRECOOLING COMPANY, a corporation, COLTON CITY WATER COMPANY, a corporation, MEEKS AND DALEY WATER COMPANY, a corporation, FONTANA LAND COMPANY, a corporation, JOHNHUB WATER COMPANY, a corporation, FONTANA DEVELOPMENT COMPANY, a corporation, NORTH COLTON WATER COMPANY, a corporation, LAWSON WELL COMPANY, a corporation, ALTA VISTA WATER COMPANY, a corporation, CLARA VISTA WATER COMPANY, a corporation, ORCHARD MUTUAL WATER COMPANY, a corporation, EAST RIVERSIDE WATER COMPANY, a corporation, JAMES BARNHILL, JOHN DOE, RICHARD ROE, SAM BLACK, JOE WHITE, SAM WHITE, CHARLES WHITE, TOM BROWN, SARAH BROWN, CHARLES BROWN, MARY BROWN, CHARLES LOW and JOHN LOW, and RIALTO DOMESTIC WATER COMPANY, a corporation,

Defendants.

WHEREAS there has been filed in this action a stipulation for judgment, duly executed by and on the part of the plaintiff above named and by and on the part of each and all of the following named defendants in this action, to-wit: Fontana Water Company, a corporation;

Fontana Union Water Company, a corporation; Fontana Power Company, a corporation, Fontana Farms Company, a corporation; Fontana Land Company, a corporation, Lytle Creek Water and Improvement Company, a corporation; Citizens Land and Water Company of Bloomington, a corporation; Riverside Highland Water Company, a corporation; Rancheria Water Company, a corporation; Mutual Land and Water Company of Rialto, a corporation; Terrace Water Company, a corporation; City of Colton, a municipal corporation; Rialto Domestic Water Company, a corporation; and James Barnhill (said Barnhill being erroneously sued herein, under the name of "W. W. Barnhill"),

NOW THEREFORE, by reason of said stipulation, and pursuant to the terms and provisions thereof,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Court as follows:

I.

This action is hereby dismissed as to each and all of the defendants, other than those above named as parties to said stipulation; and each and all cross-complaints or cross-actions, filed or pending by or between any of the parties to said stipulation, above named are dismissed.

II.

As between the plaintiff and each and all of the defendants, above named, as parties to said stipulation, and as to each and all of said defendants as between themselves, excepting as set forth in Paragraph XXI hereof, it is further

ADJUDGED AND DECREED, as follows:

III.

That an inch of water, as the term is used herein, shall mean such quantity of water, in continuous flow, as will supply one-fiftieth part of a cubic foot of water per second of time.

IV.

That from time immemorial, there has flowed, and now flows, in Lytle Creek Canyon, in San Bernardino County, California, a natural stream, known as "Lytle Creek," and there exists below the mouth of said canyon, a certain pressure pipe line, belonging to said Power Company, and the cement intake diverting water into said pipe line, is situate on the west side of said stream, very near the mouth of said canyon, and at a distance of about 1662 feet north of a point in the north boundary of the Muscupiabe Rancho, between stations 48 and 49 thereof, where said boundary intersects the center line of Riverside Avenue, as delineated on the map showing subdivision of the lands of the Semi-Tropic Land and Water Company, (said location of said intake having been sometimes heretofore erroneously designated in the pleadings herein and elsewhere, as being about 2375 feet north of said point of intersection), said Map being recorded in the office of the County Recorder of said County, in Book 6 of Maps, page 12 thereof; and said Power Company, for more than five years last past, has been and now is diverting from said creek, at said intake, by means of said pipe line, the waters of said Creek, flowing at said intake not exceediig 3000 inches, and is conducting said waters to the power house of said Power Company, situated on Farm Lot 66, designated on said Map, which waters,

upon being discharged from said Power House, belong to and are distributed to sundry parties, for their use, in proportion to their rights and interests therein.

V.

That in the San Bernardino Valley in said County, there exists, and lies below, and to the southeast of the mouth of said canyon, an area of land herein designated as "Lytle Creek Region" which, for the purposes of this decree, is defined and described as follows:

Commencing at a point in the center line of Mill Street, in the City of San Bernardino, in said County, situate 300 feet east of the center line of Mt. Vernon Avenue; thence north 400 feet; thence west to the center line of Mt. Vernon Avenue; thence running north along the center line of Mt. Vernon Avenue, to the intersection thereof with the center line of Fourth Street, (said street being identical with Foothill Boulevard); thence running west along the center line of Fourth Street, to a point where the center line of Fourth Street would intersect the center line of Muscott Avenue, if said Avenue were extended south; thence running north to the point of intersection of center line of Muscott Avenue with center line of Base Line; thence running west along center line of Base Line, to the southeast corner of Section 31, Township 1 North, Range 4 West, S. B. B. & M.; thence running north to the southwesterly boundary of the right of way of Atchison, Topeka and Santa Fe Railway Company (on which right of way are located the main railroad tracks of said Railroad Company, running from said City, through Cajon Pass); thence following along said southwesterly boundary of said right of way, to the point of intersection thereof, with the State Highway

at Verdemont; thence following said Highway to the point of intersection thereof, with the north line of Township 1 North, Range 5 West, San Bernardino Base and Meridian; thence running west, along the north line of Township 1 North, Range 5 West, San Bernardino Base and Meridian, to the northwest corner of said last mentioned township; thence running southeasterly to a point situate five feet east of the most easterly point of said intake of said pipe line of said Power Company, thence running southeasterly and following upon and along a line parallel with the east side of that certain cement canal, formerly known as the "Semi-Tropic Canal" (the intake of which canal is identical with said intake of said pipe line), and at all points five feet distant in a northeasterly direction from the east side of said Canal, to a point where said line would intersect the northwesterly line of Farm Lot 68, designated on said Map, if said northwesterly line of said Lot were projected southwest; thence along said northwesterly line of said Lot, to the foot of the ridge or bluff known as the "Rialto Bench," thence running southeasterly along the foot of said bluff, to a point where the foot of said bluff intersects the center line of said Mill Street; running thence east, along the center line of Mill Street, to the place of beginning.

VI.

That whenever there shall be discharge from said Power House, surplus water in excess of the quantity at the time required to satisfy the domestic and irrigation needs of the respective parties, entitled to receive and use water discharged from said Power House, all of such surplus water, so discharged, shall be used for

replenishing the underground water sources of said Lytle Creek Region, and to that end, shall be delivered by said Power Company, to and upon the wash of said Lytle Creek, by a cement conduit, at the highest point on the westerly margin of said wash, to which such water can reasonably be conducted by gravity flow from said Power House. Such replenishment work, as to the water so delivered upon said wash, shall be performed under the supervision and direction of the Committee hereinafter mentioned.

VII.

That all water flowing at said intake of said pipe line of said Power Company, between the 15th day of December, and the 15th day of the next succeeding month of April, of each year hereafter elapsing, shall be diverted and applied in the manner and in accordance with the priorities hereinafter set forth, to-wit:

First: To supply to said pipe line 2000 inches of water, or such larger quantity as may, at the time, be required and taken for immediate use for irrigation or domestic purposes, by the parties entitled to receive and use water discharged from said Power House, not exceeding the extent of their respective rights to such water.

Second: To supply additional water to said pipe line, to the extent of an aggregate amount of 3000 inches, (inclusive of the water specified in the next preceding subdivision "First"), except and provided that all or any part of such additional water shall be allowed to flow past said intake, into the wash or channel of said creek, for replenishing the underground water of said

Region, whenever so requested in writing by the said Improvement Company, except during periods:

(a) When the quantity of water flowing in said creek at said intake, exceeds 4000 inches, in which event such excess water may be diverted through said pipe line, until the total quantity of water, diverted therethrough, amounts to 2500 inches, or

(b) When the quantity of water, flowing in said creek, at said intake exceeds 5000 inches, in which event, such excess water may be diverted through said pipe line, until the total quantity of water, diverted therethrough, amounts to 3000 inches.

Third: All water, so permitted to pass said intake, shall be used, as far as reasonably practicable, for replenishing the underground water contained in the entire area of the Lytle Creek Wash, situate below said intake, provided that at all times, so far as is reasonably practicable, the upper portion of said wash shall be so replenished with water until no more water can be sunk therein, before such replenishment is performed on the portion of said wash lying south of Highland Avenue, or lying east of the west boundary of the lands in said Region now owned by the Muscoy Water Company.

Fourth: If, at the end of five years, from date hereof, said Improvement Company or their successors in interest, decide that the water producing capacity of wells, situate south of an east and west line drawn through said Power House, and north of said Highland Avenue, would be benefited and increased by conducting at said intake, into said pipe line, a quantity of water not exceeding 3000 inches, then and in that event, all of the water flowing at said intake, shall at all times

thereafter, be turned into said pipe line, to the extent of said 3000 inches, instead of permitting a portion of such waters to flow past said intake, as aforesaid, and at said Power House, all surplus water, in excess of the quantity at the time required to meet the then requirements of the respective parties, entitled to receive and use water discharged from said Power House, shall be used in accordance with, and be subject to the provisions of Paragraph VI hereof.

VII-a

That no water shall ever be conducted by any party hereto, from that certain tract of land, situated in said San Bernardino County, described as follows:

Beginning at a point on the center line of hereinbefore mentioned Muscott Avenue, said point being situate one-half mile north of said Base Line; running thence south to the center line of said Fourth Street; running thence west, along said center line of Fourth Street, to the point of intersection thereof with the center line of the right of way, for electrical transmission line, of Southern Sierras Power Company; running thence northwesterly along said center line of said right of way, to a point where said center line of said right of way would intersect a line drawn due west from said point of beginning; thence running east to said point of beginning.

VIII.

That in order to conserve, in the most economical and effectual method, all waters which, under the provisions hereof, are from time to time to be used for replenishing the underground water sources of said Region, and also, for further replenishing the underground water

supply of said Region, to conserve, so far as may be reasonably practicable, the surplus, or flood waters, of streams or canyons tributary to said Region, a committee of five persons shall annually be appointed in the month of September of each year, which committee shall have full charge and direction of such water conservation work, and of all expenditures relating thereto, provided that, in case of disagreement or difference of opinion, the power of such committee shall be exercised by concurrence of a majority of its members. One of the members of said committee shall be so appointed by said Improvement Company; one by said Citizens Company; one by said Union Water Company, one by said Mutual Company, Rancheria Water Company, Riverside Company and said City of San Bernardino; and one by said Terrace Water Company, James Barnhill and City of Colton, and each of said members shall serve for one year, and until his successor is appointed and no member of said committee shall receive any compensation for serving thereon. Vacancies on said committee shall also be filled by appointment, to be made in like manner as aforesaid, by the party or parties which made the appointment of the member whose place so becomes vacant, and any person appointed to fill such vacancies shall fill out the unexpired term of his predecessor. Subject to the provisions hereof, said committee is hereby authorized to, from time to time, install any water conservation works, including the construction of dams, ditches, cuts, obstructions, and shafts on land in said Lytle Creek Wash, lying north of Fourth Street, (said street being identical with Foothill Boulevard) and also in and along any canyon, the waters of which are tributary to said Region, and take all other steps,

as in its uncontrolled discretion may be deemed expedient, in order to accomplish the underground conservation of such waters, provided that nothing herein shall be construed as authorizing said committee to trespass upon the property or rights of any party or to do any act that would infringe upon or impair or interfere with the right of any party to the use of any water to which such party shall be entitled. The expense of installing such system and maintaining the same, and carrying on said work of water conservation, shall be borne and paid, subject to the provisions hereof, by the Fontana Companies, Citizens Company, Riverside Company, Improvement Company, Mutual Company, Rancheria Water Company, Rialto Domestic Water Company, City of Colton, City of San Bernardino, Terrace Water Company, and James Barnhill, in the same proportions that the maximum quantity of water which each of said eleven parties (or group of parties), is allotted hereunder, the right to pump from said Region, bears to the aggregate maximum quantity of water which all of said parties are alloted hereunder the right to pump from said Region, provided that in the event of any other person or corporation joining in said conservation work, and paying a proportion of the expense thereof, the proportions of said expense to be borne by said parties, as hereinbefore set forth, shall be correspondingly and equitably reduced. Said committee, in the month of October of each year, and from time to time thereafter, as they may deem proper, shall make an estimate of the amount of money at the time required to be paid to said committee by said eleven parties hereto above named, in order to meet the expense for conservation work as aforesaid, at the

time being undertaken, or in contemplation by said committee.

Said committee shall thereupon present to each of said eleven parties, a bill for the proportionate amount so to be paid by such party, and if any party shall fail to pay such bill, within thirty days after it shall be so presented to such party, then said committee may bring, and it shall be its duty to bring, suit against such party for the amount of such bill, together with costs, including a reasonable attorneys' fee to be fixed by the court in which such suit shall be brought.

Any and all lands, owned by any of said specified parties who are to bear the expense of said conservation work as aforesaid, situate in said Lytle Creek Region, and lying north of said "Fourth Street," and not suitable for the growing of crops thereon, may be used at any and all times for spreading water thereon, and sinking and conserving water therein, by means of dams, obstructions, ditches, cuts and shafts, or by taking such other steps as may be deemed expedient by said committee, provided however, that such water conservation work shall not be done in such a manner as to injure or interfere with the use of any pumping plant, structure or other improvement, situate on any land where such work is performed.

IX.

That the maximum quantity of water which said plaintiff, City of San Bernardino, shall be, and is entitled to take from said Region, and use beyond the confines thereof, is such quantity of water, which when added to the water said plaintiff is entitled to have delivered to it, from said Lytle Creek, will amount in the

aggregate, (inclusive of said Lytle Creek Water) to 325 inches of water, and said plaintiff shall not be entitled to divert, at any time, from said Region, an amount of water in excess of said 325 inches. Of said quantity of water, 225 inches and no more may be pumped or diverted from that certain tract of land in said Region, comprising 10.09 acres, and forming a part of tract known as the "McKenzie Tract" (said tract of 10.09 acres being more particularly described in that certain deed running from William L. McKenzie, and others, to said plaintiff, and recorded in Book 109 of Deeds, at page 303 thereof, in the office of the County Recorder of said San Bernardino County), and none of said 225 inches shall ever be diverted by plaintiff from any other portion of said Region.

Said plaintiff is also the owner of the right to take, divert and use water from that portion of the San Bernardino Valley, lying east of the easterly boundary line of said Lytle Creek Region and east of a line beginning at the point of intersection of the State Highway with the south boundary line of Section 34, Township 2 North, Range 5 West, S. B. B. & M., and running thence to the northwest corner of said Section 34, and north of the center line of Mill Street, extended east to Sterling Avenue, and from streams tributary to said portion of said valley, situate in said portion of said valley, either from the surface flow of such streams, or from wells bored or to be bored in said portion of said valley, to such extent as may be reasonably necessary to supply the needs of said city and its inhabitants with water for supplying needs and purposes within said City. The right of said plaintiff to take water from the surface flow of Lytle Creek, to the extent of 100 inches, shall

not be affected or diminished by any claims of the Fontana Companies, or any of them to salvage water, by reason of any water of Lytle Creek being conducted or conveyed in or through pipe lines, or conduits of any kind.

X.

That, subject to the provisions of this paragraph, the maximum quantity of water which said Rialto Domestic Water Company shall be, and is entitled to take from said Region and use beyond the confines thereof, is such quantity of water which, when added to the water said Company is entitled to have delivered to it from said Lytle Creek, will amount in the aggregate (inclusive of said Lytle Creek Water) to 143.22 inches of water, and said Company shall not be entitled to divert, at any time from said Region, an amount of water in excess of said quantity hereinbefore in this paragraph specified. Of said quantity of water, 100 inches and no more may be pumped from said Region by said Company, provided that:

(a) None of said 100 inches of water shall be taken from any well or water development situate south of a line located parallel to, and situate three-fourths of a mile north of, Highland Avenue.

(b) The right of said Company to so pump and take said one hundred inches of water, shall be exercised only to such extent as shall be necessary to supply the City of Rialto, and the inhabitants thereof, with water for municipal and domestic uses and purposes, and for the irrigation of flowers, trees and lawns, within said City, and then only during such times as the 43.22 inches of water (now supplied by said Company to the

inhabitants of said City) is inadequate, or unsuitable for such purposes or uses.

(c) None of said 100 inches of water shall, at any time, be used outside of the now, or hereafter existing corporate limits of said City of Rialto, except to the extent that said 43.22 inches is now being used outside said City.

(d) Nothing in this Paragraph X contained shall be construed as vesting in said Company the right to take any portion of said 100 inches of water from any well or water development, without the consent of the owner of the land on which such well or water development is situated.

(e) The right to pump and take said 100 inches of water from said region shall be exercised only in the event such right shall be transferred to the City of Rialto.

(f) The water derived from said 100 inches water right, other than water supplied for fire hydrants, sewers, stores and buildings, not used for dwellings, shall not be furnished to the inhabitants of said City of Rialto, except through meters and when charged for at meter rates.

XI.

That the maximum quantity of water which said Improvement Company shall be, and is entitled to take from said Region, and use beyond the confines thereof, is, such quantity of water, which when added to the water said Company is entitled to have delivered to it from said Lytle Creek, will amount in the aggregate (inclusive of said Lytle Creek Water), to 1026.23 inches, and said Improvement Company shall not be en-

titled to divert at any time, from said Region, an amount of water in excess of said quantity in this paragraph hereinbefore specified. 'Of said quantity of water, only 700 inches may be pumped and diverted from said Region, by said Improvement Company, except during such periods when the quantity of water said Company is deriving from said Lytle Creek, is temporarily reduced to a quantity of less than 326.23 inches, during which periods additional water may be pumped and diverted from said Region by said Company, but only to an extent sufficient to supply such deficiency of said Lytle Creek Water, and only so long as such deficiency continues. Said pumping of said 700 inches of water by said Improvement Company shall be confined to the Ferguson Ranch, (said Ranch being the real property described in that certain deed, dated November 20th, 1908, and executed by Fontana Development Company, and recorded in the office of the County Recorder of said San Bernardino County, in Book 429 of Deeds, page 103 thereof), and said Company is not entitled to pump any water from any other part of said Region.

XII.

That the maximum quantity of water, which said Mutual Company shall be, and is entitled to take and conduct from said Region, and use beyond the confines thereof, is 125 inches of water, and said Mutual Company shall not be entitled to divert at any time, from said Region, an amount of water in excess of said 125 inches, all of which said quantity of water may be pumped by said Company from said Region, but all of said water shall be taken from wells, or water de-

velopments situate south of Highland Avenue, and north of Base Line.

XIII.

That the maximum quantity of water which said Riverside Company shall be, and is entitled to take from said Region, and use beyond the confines thereof, is 450 inches of water, and said Riverside Company shall not be entitled to divert at any time, from said Region, an amount of water in excess of said 450 inches, all of which said quantity of water may be pumped or diverted by said Company from said Region, but all of said water shall be taken from wells or water developments situate south of Highland Avenue, and north of Base Line.

XIV.

That the maximum quantity of water which said Rancheria Water Company shall be, and is entitled to take from said Region, and use beyond the confines thereof, is 120 inches of water, and said Company shall not be entitled to divert at any time from said Region, an amount of water in excess of 120 inches, all of which said quantity of water may be pumped or diverted by said Company from said Region, but all of said water shall be taken from wells or water developments, situate south of Highland Avenue, and north of said Fourth Street.

XV.

That the maximum quantity of water which said Citizens Company shall be, and is entitled to take from

said Region, and use beyond the confines thereof, is 1300 inches of water, and said Citizens Company shall not be entitled to divert, at any time, from said Region, an amount of water in excess of said 1300 inches, all of which said quantity of water may be pumped or diverted by said Company from said Region, provided that:

(a) No more than 200 inches shall ever be diverted or pumped by said Citizens Company, from that part of said Ferguson Ranch specified in that certain deed, executed by the Semi-Tropic Land and Water Company, to the Rialto Irrigation District, and recorded in the office of the County Recorder of said San Bernardino County, in Book 187 of Deeds, at page 213 thereof, and

(b) No more than 585 inches shall ever be diverted from said Region by said Citizens Company, from the northeast quarter of Section 36, Township 1 North, Range 5 West, S. B. B. & M., and

(c) No more than 150 inches shall ever be diverted or pumped by said Citizens Company, from that certain tract of land, situate in said Region, described as follows, to-wit:

Commencing at a point on the Base Line two thousand and fifty feet east of the southwest corner of Township 1 North, Range 4 West, San Bernardino Base and Meridian, and running thence due east 250 feet; thence north 14 degrees west, 344 feet; thence north 24 degrees 10 minutes West, 839.7 feet; thence north 39 degrees, 56 minutes west, 1096 feet; thence due west 674 feet; thence south 8 degrees, 20 minutes east, 500 feet; thence south 34 degrees, 15 minutes east, 1119 feet; thence south 58 degrees, 35 minutes east, 998-7/10 feet, to the place of beginning.

(d) None of the remaining quantity of said 1300 inches of water shall ever be diverted or pumped by said Citizens Company, from any lands in said Region, lying to the north of Base Line, but nothing herein contained shall be construed as obligating said Citizens Company, to divert any specific quantity of water from lands lying north of Base Line, to the end that any quantity of water may be diverted by said Company, from lands in said Region lying south of Base Line, so long as such quantity, when added to the quantity of water which said Company may be then contemporaneously taking from said Region, from lands north of Base Line, shall not exceed in the aggregate, said maximum quantity of 1300 inches of water; provided however, that in the event of said Company diverting at any time from said Region, a total quantity of water, exceeding 1100 inches, then all of such excess water shall be taken by said Company from lands in said Region lying south of a line drawn parallel to, and situate 2500 feet south of Base Line.

(e) Said Citizens Company shall never be entitled to divert any water from that certain tract of land situate in said Region, and described as follows:

Beginning at the southeast corner of the northeast quarter of the northeast quarter of Section 36, Township 1 North, Range 5 West, San Bernardino Base and Meridian; running thence west, 11.89 chains to a post, thence north 3 degrees 10 minutes west, 20 chains to a post on the north line of said Section, thence east 1 chain, thence south 32 degrees east, 8.32 chains to a post; thence south 2 degrees west, 2.06 chains to a post; thence south 54 degrees east, 4.59 chains to a post; thence south 83 degrees east, 4.40 chains to the east line

of said Section, thence south 8.48 chains to the place of beginning.

XVI.

The maximum quantity of water which James Barnhill (sued herein under the erroneus name of "W. W. Barnhill"), shall be, and is entitled to take from said Region, and use beyond the confines thereof, is seventy-five inches of water and said Barnhill shall not be entitled to divert, at any time, from said Region, an amount of water in excess of said 75 inches, all of which said quantity of water may be pumped by him from said Region, but all of said water shall be taken from wells, or water developments, situate south of the existing right of way of Atchison, Topeka and Santa Fe Railway Company (on which said right of way are located the railroad tracts extending from said City of San Bernardino, to the City of Rialto), and north of said Mill Street.

XVII.

That the maximum quantity of water, which said Terrace Water Company shall be, and is entitled to take from said Region, and use beyond the confines thereof, is 150 inches of water, and said Terrace Water Company shall not be entitled to divert, at any time, from said Region, an amount of water in excess of said 150 inches, but all of said water shall be taken from wells or water developments, situate south of said right of way of said Railway Company mentioned in the next preceding paragraph hereof, and north of said Mill Street. All of said water may be pumped.

XVIII.

That the maximum quantity of water which said City of Colton shall be, and is entitled to take from said

and its tributaries, and from said Lytle Creek Region, and conduct from said Region, and use beyond the confines thereof, shall amount to an aggregate quantity of 3480.78 inches, and said Fontana Companies shall never be entited either collectively or separately to divert, beyond said confines, at any time from said water sources, or any of them, an amount of water in excess of said quantity in this paragraph hereinbefore specified. Of said 3480.78 inches of water, 1300 inches and no more may be pumped and diverted from said Region, by said Fontana Companies, provided that:

(a) No more than three hundred inches shall ever be pumped from the next hereinafter described tract of land, and said 300 inches shall be pumped from no other place; said tract being that certain tract, in said Region, described as follows:

That portion of the Southwest portion of the Muscupiabe Rancho, described as follows:

Beginning at station O of the north boundary of the Muscupiabe Rancho, which point is situate near the northeasterly bank of Lytle Creek, and near the mouth of Lytle Creek Canyon;

Thence following and along the northerly boundary of said Muscupiabe Ranch, South 67 degrees, 52 minutes East, thirty-five and fifty-three hundredths (35.53) chains to station 1 of said Muscupiabe Rancho; thence south 48 degrees, 14 minutes west, fifty-six and seventy-six hundredths (56.76) chains to the southwesterly corner of Farm Lot Ten (10) designated on the Map showing SUBDIVISION OF LANDS BELONGING TO SEMI-TROPIC LAND AND WATER COMPANY, recorded in Book 6 of Maps, at page 12, in the office of the County Recorder of said San Bernardino County;

Region, and use beyond the confines thereof, is 600 inches of water, and said City shall not be entitled to divert, at any time, from said Region, an amount of water in excess of said 600 inches, all of which said quantity of water may be pumped by said City from said Region, but all of said water shall be taken from wells or water developments situate south of the last mentioned right of way of said Railway Company, and north of said Mill Street, and none of said water shall be used west of the highway, running approximately north and south, situate on the Rialto Bench, and known as "Rancho Avenue."

XIX.

As used herein, (1) the term "Fontana Companies," refers to Fontana Water Company, Fontana Union Water Company, Fontana Power Company, Fontana Farms Company, and Fontana Land Company; (2) the term "Citizens Company" refers to the Citizens Land and Water Company of Bloomington; (3) the term "Riverside Company" refers to the Riverside Highland Water Company; (4) the term "Improvement Company" refers to the Lytle Creek Water and Improvement Company; (5) the term "Mutual Company" refers to the Mutual Land and Water Company of Rialto; (6) the term "Power Company" refers to the Fontana Power Company, and (7) the term "Union Water Company" refers to Fontana Union Water Company.

XX.

That the maximum quantity of water which said Fontana Companies shall be, and are collectively entitled to take from the surface and sub-surface waters of said Lytle Creek, and from said Lytle Creek Canyon,

Thence north 24 degrees, 43 minutes west, eighty-four and twenty-four hundredths (84.24) chains to a point in the north boundary of said Muscupiabe Rancho; said point being identical with the north corner of Farm Lot One (1), designated on said Map; thence, following and along the north boundary of the Muscupiabe Ranch, south fifty-one degrees, thirty minutes east, eleven and fifty-hundredths (11.50) chains to Station 49 thereof;

Thence, south 63 degrees, 00 minutes east, 40 chains to Station 0 of said Muscupiabe Rancho, the place of beginning.

Containing two hundred twelve and nineteen hundredths (212.19) acres.

(b) No more than 200 inches shall ever be pumped and diverted from said Region, from that certain tract of land in said Region, described as follows:

Commencing at a point on Line 2-3 of the northeasterly boundary of the southwest portion of the Rancho Muscupiabe, said point being north 45 degrees, 0 minutes west, one hundred thirty-seven and three-tenths chains from the southeast corner of Section 25, Township 1 North, Range 5 West, San Bernardino Base and Meridian; thence following the northeasterly boundary line of lands heretofore conveyed by the Fontana Development Company, to the Lytle Creek Water and Improvement Company, by deed recorded in Book 429 of Deeds, page 103, south 71 degrees, 13 minutes west, thirty-four and twenty-eight hundredths chains; thence still following said boundary north eighty-two degrees, fifty-nine minutes west, eighteen and seventy-three hundredths chains, for a point of beginning; thence from said point of beginning north fifty-four degrees,

fifteen minutes west, eighty-three and four hundredths chains; thence south 35 degrees, 45 minutes west, along the boundary line of the land conveyed by the Fontana Development Company to the Fontana Union Water Company, by deed recorded in Book 505 of Deeds, page 274, to the northwesterly corner of Lot 64, of Map showing subdivision of lands belonging to the Semi-Tropic Land and Water Company, as per plat recorded in Book 6 of Maps, page 12, of the records of said County, including the western portion of the Muscupiabe Grant, as per plat recorded in Book 7 of Maps, page 23, of the records of said County; thence from said northwesterly corner of said Lot 64, easterly and along the northeast line of Lots 64, 66, 68, 70, 72, 74 and 76, to the westerly point of land conveyed by the Fontana Development Company to the Lytle Creek Water and Improvement Company, by deed recorded in Book 429 of Deeds, page 103, et. seq.; thence following the north boundary of said tract south 82 degrees, 59 minutes east, twenty-six and twenty-seven hundredths chains, more or less, to point of beginning.

(c) None of the remaining 800 inches, or any portion of said 1300 inches of water, shall ever be pumped by said Fontana Companies, or any of them, from any portion of said Region lying to the south, or southeasterly of a line drawn from the southeast corner of Farm Lot 68, designated on said Map, to that certain point situate on the boundary of said Muscupiabe Rancho, designated or known as "Stake No. 3" (which said last mentioned point is situate very near to the northeast corner of Section 22, Township 1 North, Range 5 west, S. B. B. & M.); thence running due east to the southwesterly boundary of said right of way of

said Atchison, Topeka and Santa Fe Railway Company, hereinbefore mentioned, save and except that 150 inches of said 1300 inches of water may be pumped or diverted from lands in said Region lying below or to the south or southeasterly of said line.

(d) No water, pumped in said Region by any of said Fontana Companies, shall ever be conducted east of the west boundary of the lands in said Region now owned by the Muscoy Water Company, a corporation, provided however, that if any of the said Fontana Companies shall exercise the right to substitute for 150 inches of the surface waters of said Lytle Creek other water (said right being specifically provided for in that certain judgment rendered by the Superior Court of said San Bernardino County, in Action numbered 9383 in said Court, a copy of which judgment is recorded in the office of the County Recorder of said County, in Book 369 of Deeds at page 323 thereof, which said judgment is based upon that certain contract, dated October 26, 1891, wherein John L. Campbell granted to the Semi-Tropic Land and Water Company, the right to make such substitution of such water), then and in that event, such substituted water, not exceeding 150 inches, may be conducted anywhere.

(e) No water, except the 300 inches permitted to be pumped hereunder, from the tract of land described in Subdivision (a) of this Paragraph XX, shall ever be pumped and diverted by any of said Fontana Companies, from said Region, except and provided that whenever the quantity of water which said Fontana Companies are deriving from said Lytle Creek, at said intake, when added to any water that shall at the time be actually pumped from said tract (there shall be no

obligation to pump any water from said tract), shall amount in the aggregate to less than 2500 inches, then, so long as such deficiency shall continue, said Fontana Companies may take and divert from said Region from any or all of said other areas hereinbefore specified (but not more from any one of said areas than the maximum that they are entitled to take from such tract as hereinbefore stated) such quantity of water as may be necessary to make up such deficiency and maintain such aggregate supply of 2500 inches.

(f) Said quantity of 2500 inches and said maximum quantity of 3480.78 inches of water, hereinbefore referred to in this Paragraph XX, both relate exclusively to water which said Fontana Companies are entitled to take for their own use for irrigation and other beneficial purposes, beyond the confines of said Region.

XXI.

Nothing herein contained shall settle, bind or affect any question, matter or right existing between any of said Fontana Companies only, the purpose of this decree being to define and adjudicate the rights involved herein, of each and all of the respective parties hereto, other than said Fontana Companies, and also to adjudicate the collective rights of all of said Fontana Companies, constituting one group of defendants, without affecting any right which any of said Fontana Companies may have against any other of said Fontana Companies.

XXII.

That, except as provided in Paragraph XXIV hereof, no well shall ever be sunk hereafter by any party to

this action, within a distance of 200 feet of the north boundary line of said Ferguson Ranch, and it is further decreed that none of said Fontana Companies shall be entitled to hereafter pump any water in said Lytle Creek Canyon, at any time when such water is not needed for irrigation purposes.

XXIII.

Nothing contained herein shall be construed as permitting or shall permit, any water to be diverted from said Region, or from any water sources herein menitoned, at any time when the water so diverted is not reasonably needed for some useful or beneficial purpose, and it shall not be deemed a useful or beneficial purpose within the meaning of this paragraph, to use water:

(a) For irrigating, between the 15th day of November and the 15th day of March, of the next succeeding year, any grain or cereal crop, unless such crop is growing in an orchard;

(b) For saturating or causing water to sink in lands, lying outside of the said Region and canyon, for the purpose of accomplishing underground storing of water, or of adding to the water contained in such lands, nor for excercising unreasonable irrigation of crops or trees growing thereon.

XXIV.

That none of the parties to this action shall ever be entitled hereafter, to sink any well within a distance of 500 feet from any other well, owned, or operated by any other party to this action, except for substituting a new well in lieu of any now existing well, within said distance, for the sole purpose of maintaining, but not in-

creasing, the quantity of water now taken by such existing well, within such distance, provided however, that if it is desired to sink such new well within said distance, then such new well shall be always located as near as reasonably practicable to the existing old well for which it is to be substituted, as aforesaid.

XXV.

That each and all of the parties to this action, when taking any water from any water source mentioned herein, shall install, and at all times maintain respectively, at every point at which such water is so taken, such measuring box or weir or other measuring device, as will show readily and accurately the quantity of water at the time being taken at such point, which box and weir or other device, shall be installed and maintained as directed by, and to the satisfaction of said committee on water conservation, and shall at all times be open to inspection by an member of said committee, and by any party to this action.

XXVI.

Nothing herein contained shall be construed as vesting any new right in any of the parties hereto, to enter upon and take water from any water development or well situate on any property of any other party hereto, but the provisions of this paragraph shall not impair or affect any existing right of any party hereto.

XXVII.

That the rights of each and all of the said parties to pump water from said Region, as hereinbefore specified and defined are, as between said parties, equal and cor-

relative, without any priority or superiority of right, except as hereinbefore specifically stated or provided as to a particular interest or right, as between particular specified parties.

XXVIII.

That every provision of this decree in favor of, or applying to any party hereto, shall also apply to, and inure to the benefit of, and also bind each and all of the heirs, legal representatives, successors and assigns of such party.

XXIX.

That nothing herein decreed shall impair, abridge, or affect any existing right of any party hereto, which is now established by decree of court, or by other record, to have delivered, or to share in water from the surface flow of said Lytle Creek, except as may hereinbefore be otherwise specifically provided. Nothing herein decreed shall impair, abridge or affect any existing right of any party hereto to practice water conservation by sinking water in said Lytle Creek Canyon.

XXX.

That each and all of the parties hereto, and the agents and employees of each of them, are hereby perpetually restrained and enjoined from doing any act or thing in violation of the provisions of this decree.

XXXI.

None of the several maximum quantities of water which the parties hereto are respectively entitled to take from said Region, and use beyond the confines thereof, as herein specified, shall be increased or affected by the

future acquiring of additional lands in said Region by any of said parties; provided, however, anything to the contrary herein contained notwithstanding, should any party hereto hereafter purchase from any other party hereto the herein specified right to divert water of such other party, such purchasing party shall be entitled to exercise such purchased right of diverting water from said Region, in addition to the right allotted hereunder to such purchasing party.

XXXII.

No objection shall ever be made by any of said parties as to the interest or right of any party, as hereinbefore specified and defined, or as to the validity of this judgment in so specifying or defining such interest or right, on the ground that such interest or right, as so specified or defined, is not consistent with or warranted by the pleadings relative thereto; and if, in any case, it shall appear that any such interest or right, as so specified and defined, is in fact not consistent with or warranted by such pleading as actually filed, then such pleading shall be deemed and treated as amended, to conform to and sustain such interest and right as hereinbefore specified and defined.

XXXIII.

Each of said parties waives all right of appeal from this judgment, and no appeal shall be taken by any party or parties from this judgment or any part thereof.

XXXIV.

No party to this judgment shall be entitled to recover costs from any other party.

Dated: January 28th, 1924.

BENJAMIN F. WARMER,
Judge.

Endorsed:
Filed Jan. 28, 1924

HARRY L. ALLISON, Clerk
By M. L. ALDRIDGE, Deputy.

Docketed: Jan. 30, 1924, at 1:35 o'clock P. M.

Entered: Jan. 28, 1924, Book 41, Page 154.

HARRY L. ALLISON, Clerk
By R. M. SCHMIDT, Deputy Clerk

STATE OF CALIFORNIA,
COUNTY OF SAN BERNARDINO, } ss.

I, HARRY L. ALLISON, County Clerk and ex-officio Clerk of the Superior Court, do hereby certify the foregoing to be a full, true and correct copy of the original on file in my office.

Witness my hand and seal of the Superior Court, this 14th day of Feb., 1924.

HARRY L. ALLISON, County Clerk.
By R. M. SCHMIDT, Deputy.

Recorded at request of Leonard, Surr & Hellyer, Feb. 16, 1924, at 28 minutes past 9.00 A. M., in Book 829, Page 293, of Deeds, Records San Bernardino County.

FULTON G. FERAUD, County Recorder.

By IRENE MCINERNY, Deputy Recorder.
Fee $13.50.

I hereby certify that I have correctly tanscribed this instrument on the records in the office of the Recorder of San Bernardino County.

R. EASTON, Copyist.

Compared:
M. ALEXANDER,—R. EASTON.

AGREEMENT BETWEEN THE WEST SAN BERNARDINO COUNTY WATER DISTRICT AND THE CITY OF SAN BERNARDINO FOR PURCHASE OF LYTLE CREEK SURFACE WATER SUPPLY

This Agreement is made as of April 20, 1993, by and between the **WEST SAN BERNARDINO COUNTY WATER DISTRICT (District)**, and the **CITY OF SAN BERNARDINO (City)**, a municipal corporation, by and through its **BOARD OF WATER COMMISSIONERS.**

RECITALS

A. City owns 1.94 million gallons per day (mgd) of water rights to the surface flow of Lytle Creek (150 miners inches). Said rights are set forth in *City of San Bernardino vs. Fontana Water Co. et al.*, Superior Court of San Bernardino County, California, January 28, 1924, Case No. 17030. City's rights include: 100 miners inches in the name of the City; 50 miners inches held by Mt. Vernon Water Company, one-third owner of the "Campbell Rights" by San Bernardino County Superior Court Case No. 20790, *Lytle Creek Water and Improvement Company vs. Grapeland Irrigation District, et al.*

B. District is in the process of constructing a water filtration and treatment facility adequate to properly filter and treat said water supply for domestic use.

THEREFORE, IT IS AGREED:

1. Upon completion of said treatment plant, District shall divert City's said 1.94 mgd, or any portion thereof as determined by the District, for treatment and use in District's water system. Point of diversion shall be the

Afterbay of the Southern California Edison Company's Fontana Power House. The actual amount of City's water available for sale shall be that amount of surface flow in Lytle Creek allocated to City by various judgments, agreements and low flow restrictions of same.

2. District shall pay City an amount equal to the charge established by the San Bernardino Valley Municipal Water District for imported State Project Water for groundwater recharge; currently, $60.00 per acre foot or, the average cost per acre foot to District to produce and transport well water from District's Lytle Creek Well Field to elevation one thousand five hundred seventy (1,570) feet above sea level which is the same elevation as said treatment plant, whichever is less. Present estimated cost per acre foot is $75.00 to produce and transport said water. City will continue to pay assessments which may be imposed by the Lytle Creek Water Conservation Association against surface flow rights it owns.

3. This Agreement shall terminate on January 1, 2023. District shall have a right to two (2) ten-year extension options after said expiration date. This Agreement may be modified only upon the mutual written agreement of the parties hereto. Any request for modification of this Agreement shall be made at least ninety (90) days prior to the proposed effective date of any such requested modification. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their

respective successors, legal representatives, and assigns. This Agreement shall be reviewed by the parties ninety (90) days prior to the end of each five-year anniversary date of this Agreement.

4. District agrees to indemnify and hold City and its officers, employees, successors and assigns, and each of them, harmless from and against all liability or claims thereof for loss of or damage to property or injury to or death of any person proximately caused in whole or in part by any acts, omission, negligence, gross negligence or willful misconduct, of District or its contractors, or by any acts for which District or its contractors are liable without fault, in the construction, operation and maintenance of the facilities hereunder, save and except in those instances where such loss, damage, injury, or death is caused in whole or in part by the negligence of City or its contractors or by any acts for which City or its contractors are liable without fault.

5. City agrees to indemnify and hold District and its officers, employees, successors, and assigns, and each of them, harmless from and against all liability or claims thereof for loss of or damage to property or injury to or death of any person proximately caused in whole or in part by any acts, omission, negligence, gross negligence or willful misconduct, of City or its contractors, or by any acts for which City or its contractors are liable without fault, in the operation and maintenance of the facilities hereunder, save and except in those instances

where such loss, damage, injury, or death is caused in whole or in part by the negligence of District or its contractors or by any acts for which District or its contractors are liable without fault.

6. Written notice to be given to either party shall be given by personal delivery or by registered or certified mail; other correspondence and invoices may be sent by first class mail, addressed and delivered as set forth below:

General Manager City of San Bernardino Municipal Water Department 300 North "D" Street San Bernardino, CA 92418	General Manager West San Bernardino County Water District 855 West Base Line Rd. Rialto, CA 92376

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its respective duly authorized officers. The effective date of this Agreement shall be the date first above written.

BOARD OF WATER COMMISSIONERS
CITY OF SAN BERNARDINO

By: Margaret H. Chandler
Margaret H. Chandler
President

ATTEST:

By: Cheryl A. Flowers
Cheryl A. Flowers
Secretary

WEST SAN BERNARDINO COUNTY
WATER DISTRICT

By: Oliver P. Roemer
Oliver P. Roemer, President

ATTEST:

By: Ira B. Pace
Ira B. Pace, Secretary

APPROVED AS TO FORM AND CONTENT

Gerald D. Shoaf
Gerald D. Shoaf, Legal Counsel

Appendix B Western Judgement

FILED
RIVERSIDE COUNTY

APR 17 1969

DONALD D. SHELLMAN, Clerk
By _____ Deputy

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF RIVERSIDE

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

Plaintiffs,

-vs-

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

Defendants

No. 78/4726

JUDGMENT

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

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

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

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

APPENDIX D -- Miscellaneous Data

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RECITALS

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

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

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

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

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therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

I

ACTIVE PARTIES

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

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

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

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

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

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

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

II

DISMISSED PARTIES

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

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III

PRIOR JUDGMENTS

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

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

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

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IV

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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time be modified.

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

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

V

EXTRACTIONS FROM THE SAN BERNARDINO BASIN AREA

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

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

VI

SAN BERNARDINO BASIN AREA RIGHTS AND REPLENISHMENT

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

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shall be subject to the continuing jurisdiction thereof.

(b) Annual Adjusted Rights of Plaintiffs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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VII

WATER DISCHARGED ACROSS THE BUNKER HILL DIKE

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

VIII

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

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

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

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extractions over such 20 percent peaking allowance.

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

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

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

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

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

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

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

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

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with 1963; (2) such base rights for use in both Districts shall be subject to whatever adjustment may be required by the safe yield of the area, and in the aggregate shall not be exceeded unless replenishment therefor is provided; (3) in calculating safe yield, the outflow from the area at Riverside Narrows shall be determined insofar as practical by the base flow obligations imposed on San Bernardino Valley under the Orange County Judgment; and (4) San Bernardino Valley shall be required to provide replenishment for any deficiency between the actual outflow and the outflow obligation across Bunker Hill Dike as established by safe yield analysis using the base period of 1934 through 1960.

IX

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

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

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

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

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

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

X

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

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

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

XI

REPLENISHMENT CREDITS AND ADJUSTMENT FOR QUALITY

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

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

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

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

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

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

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

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

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

XII

CONVEYANCE OF WATER BY SAN BERNARDINO VALLEY TO RIVERSIDE NARROWS.

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

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therewith shall be San Bernardino Valley's responsibility.

XIII

WATERMASTER

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

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

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

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

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

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

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

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

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

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

XIV

CONTINUING JURISDICTION OF THE COURT

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

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

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

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

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

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

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

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

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

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

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

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XV

SAVING CLAUSES

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

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

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

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

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

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

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

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

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

XVI

EFFECTIVE DATE

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

XVII

COSTS

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

THE CLERK WILL ENTER THIS JUDGMENT FORTHWITH.

DATED: April 17, 1969

ENTERED

APR 17 1969

JUDGE OF THE SUPERIOR COURT

JUDGMENT BOOK 124 PG 42

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Appendix C Rialto Basin Decree

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Entered Dec 13 1961
By [illegible] DEPUTY

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SAN BERNARDINO, CALIFORNIA

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

THE LYTLE CREEK WATER AND IMPROVEMENT COMPANY, a corporation,

Plaintiff,

vs.

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

Defendants.

No. 81264

DECREE

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

WHEREAS, the Fontana Union was sued herein as John Doe

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18. As between stipulating parties only no extraction of water

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

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

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

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

Judge of the Superior Court

SURR & MELLYER
ATTORNEYS AT LAW
San Bernardino, California

DESCRIPTION OF BOUNDARIES OF RIALTO BASIN

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

Exhibit 1

STATE WELL NUMBER		LOCATION	STIPULATED RIGHT ACRE FEET
Location Number	Serial Number		
1S/5W-3B1	D-1083	680 feet South of center line Base Line, 2,183 feet West of Cactus Avenue	490
1S/5W-3J1	D-1083a	1,371 feet North of Foothill Blvd. 703 feet West of Cactus Avenue	490
1S/5W-3N1	D-1083b	404 feet North of Foothill Blvd. 1,241 feet East of center line Linden Avenue	540
1S/4W-7C1	E-8a	92 feet South of center line Foothill Blvd., 1,484 feet East of center line Meridian Avenue	290
1S/4W-18B2	E-70c	705 feet South of center line Mill Street, 1,085 feet West of Rancho Avenue	370
1S/4W-18E1	E-70a	416 feet East of center line Meridian Avenue, 608 feet North of center line Randall Avenue	160
1S/4W-18K1	E-70e	47 feet South of center line Citrus Avenue, 87 feet East of West line of Northeast 1/4 of Section 18	360
1N/5W-17K1	D-1170b	3,937 feet measured Southeasterly along the center line of Riverside Avenue from its intersection with the North line of Section 17, and 352 feet Southwest of the center line of Riverside Avenue measured at right angles	90
1N/5W-17G1	D-1170d	3,625 feet measured Southeasterly along the center line of Riverside Avenue from its intersection with the North line of Section 17, and 161 feet Southwest of the center line of Riverside Avenue measured at right angles	90
1N/5W-28J1	D-1177a	63 feet West of Linden Avenue, 45 feet South of Vineyard 0.36 miles North of Highland Avenue	40
1N/5W-31A1	D-1166	66 feet South of center line of Highland Avenue 361 feet East of center line of Juniper	370

Exhibit "2"

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



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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

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

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

WHEREAS, the Fontana Union was sued herein as John Doe

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Colton	3,010 acre feet - 3400
Rialto	1,580 acre feet - 3100
Citizens	3,260 acre feet
Fontana Union	550 acre feet — 970 - 1420
Lytle Creek	3,600 acre feet

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

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

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

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

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

(a) "Duncan Well"

(b) "Willow Street Well"

(c) "Boyd Well"

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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ing expenses, provided that:

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

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

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

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

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

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

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

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

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

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

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

_____
Judge of the Superior Court

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DESCRIPTION OF BOUNDARIES OF RIALTO BASIN

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

STATE WELL NUMBER		LOCATION	STIPULATED RIGHT ACRE FEET
Location Number	Serial Number		
1S/5W-3B1	D-1083	680 feet South of center line Base Line, 2,183 feet West of Cactus Avenue	490
1S/5W-3J1	D-1083a	1,371 feet North of Foothill Blvd. 703 feet West of Cactus Avenue	490
1S/5W-3N1	D-1083b	404 feet North of Foothill Blvd. 1,241 feet East of center line Linden Avenue	540
1S/4W-7C1	E-8a	92 feet South of center line Foothill Blvd., 1,484 feet East of center line Meridian Avenue	290
1S/4W-18B2	E-70c	705 feet South of center line Mill Street, 1,085 feet West of Rancho Avenue	370
1S/4W-18E1	E-70a	416 feet East of center line Meridian Avenue, 608 feet North of center line Randall Avenue	160
1S/4W-18K1	E-70e	47 feet South of center line Citrus Avenue, 87 feet East of West line of Northeast 1/4 of Section 18	360
1N/5W-17K1	1170-B	3,937 feet measured Southeasterly along the center line of Riverside Avenue from its intersection with the North line of Section 17, and 352 feet Southwest of the center line of Riverside Avenue measured at right angles	90
1N/5W-17G1	D-1170	3,625 feet measured Southeasterly along the center line of Riverside Avenue from its intersection with the North line of Section 17, and 161 feet Southwest of the center line of Riverside Avenue measured at right angles	90
1N/5W-28J1	D-1177a	63 feet West of Linden Avenue, 45 feet South of Vineyard .036 miles North of Highland Avenue	70
1N/5W-31A1	D-1176	66 feet South of center line of Highland Avenue 361 feet East of center line of Juniper	370

Exhibit "2"

Appendix D Chino Basin Watermaster Judgement

Received Jan 27, 1978 fd

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FILED - West District
San Bernardino County Clerk
OCT 26 1989

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

MICROFILMED

CHINO BASIN MUNICIPAL WATER DISTRICT,

Plaintiff,

v.

CITY OF CHINO, et al.

Defendants.

No. 164327

RCN 51019

JUDGMENT

LAW OFFICES DONALD D. STARK A PROFESSIONAL CORPORATION SUITE 201 2061 BUSINESS CENTER DRIVE IRVINE, CALIFORNIA 92715 (714) 752-8971

Routing ..... Appeal .....
Date ..... Briefs .....
Judge ..... Exhibits .....
Dept. ..... Supervisor .....
Asst. Co. Clerk ..... Secretary .....
Index ..... Other .....

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JUDGMENT
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

CHINO BASIN MUNICIPAL WATER DISTRICT, Plaintiff, v. CITY OF CHINO, et al. Defendants.	No. 164327 JUDGMENT

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I. INTRODUCTION

1. Pleadings, Parties and Jurisdiction. The complaint herein was filed on January 2, 1975, seeking an adjudication of water rights, injunctive relief and the imposition of a physical solution. A first amended complaint was filed on July 16, 1976. The defaults of certain defendants have been entered, and certain other defendants dismissed. Other than defendants who have been dismissed or whose defaults have been entered, all defendants have appeared herein. By answers and order of this Court, the issues have been made those of a full inter se adjudication between the

parties. This Court has jurisdiction of the subject matter of this action and of the parties herein.

2. Stipulation For Judgment. Stipulation for entry of judgment has been filed by and on behalf of a majority of the parties, representing a majority of the quantitative rights herein adjudicated.

3. Trial; Findings and Conclusions. Trial was commenced on December 16, 1977, as to the non-stipulating parties, and findings of fact and conclusions of law have been entered disposing of the issues in the case.

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

(a) Active Parties. All parties other than those who have filed with Watermaster a written waiver of service of notices, pursuant to Paragraph 58.

(b) Annual or Year -- A fiscal year, July 1 through June 30, following, unless the context shall clearly indicate a contrary meaning.

(c) Appropriative Right -- The annual production right of a producer from the Chino Basin other than pursuant to an overlying right.

(d) Basin Water -- Ground water within Chino Basin which is part of the Safe Yield, Operating Safe Yield, or replenishment water in the Basin as a result of operations under the Physical Solution decreed herein. Said term does not include Stored Water.

(e) CBMWD -- Plaintiff Chino Basin Municipal Water District.

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(f) Chino Basin or Basin -- The ground water basin underlying the area shown as such on Exhibit "B" and within the boundaries described in Exhibit "K".

(g) Chino Basin Watershed -- The surface drainage area tributary to and overlying Chino Basin.

(h) Ground Water -- Water beneath the surface of the ground and within the zone of saturation, i.e., below the existing water table.

(i) Ground Water Basin -- An area underlain by one or more permeable formations capable of furnishing substantial water storage.

(j) Minimal Producer -- Any producer whose production does not exceed five acre-feet per year.

(k) MWD -- The Metropolitan Water District of Southern California.

(l) Operating Safe Yield -- The annual amount of ground water which Watermaster shall determine, pursuant to criteria specified in Exhibit "I", can be produced from Chino Basin by the Appropriative Pool parties free of replenishment obligation under the Physical Solution herein.

(m) Overdraft -- A condition wherein the total annual production from the Basin exceeds the Safe Yield thereof.

(n) Overlying Right -- The appurtenant right of an owner of lands overlying Chino Basin to produce water from the Basin for overlying beneficial use on such lands.

(o) Person. Any individual, partnership, association, corporation, governmental entity or agency, or other organization.

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(p) PVMWD -- Defendant Pomona Valley Municipal Water District.

(q) Produce or Produced -- To pump or extract ground water from Chino Basin.

(r) Producer -- Any person who produces water from Chino Basin.

(s) Production -- Annual quantity, stated in acre feet, of water produced.

(t) Public Hearing -- A hearing after notice to all parties and to any other person legally entitled to notice.

(u) Reclaimed Water -- Water which, as a result of processing of waste water, is suitable for a controlled use.

(v) Replenishment Water -- Supplemental water used to recharge the Basin pursuant to the Physical Solution, either directly by percolating the water into the Basin or indirectly by delivering the water for use in lieu of production and use of safe yield or Operating Safe Yield.

(w) Responsible Party -- The owner, co-owner, lessee or other person designated by multiple parties interested in a well as the person responsible for purposes of filing reports hereunder.

(x) Safe Yield -- The long-term average annual quantity of ground water (excluding replenishment or stored water but including return flow to the Basin from use of replenishment or stored water) which can be produced from the Basin under cultural conditions of a particular year without causing an undesirable result.

(y) SBVMWD -- San Bernardino Valley Municipal Water

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District.

(z) State Water -- Supplemental Water imported through the State Water Resources Development System, pursuant to Chapter 8, Division 6, Part 6 of the Water Code.

(aa) Stored Water -- Supplemental water held in storage, as a result of direct spreading, in lieu delivery, or otherwise, for subsequent withdrawal and use pursuant to agreement with Watermaster.

(bb) Supplemental Water -- Includes both water imported to Chino Basin from outside Chino Basin Watershed, and reclaimed water.

(cc) WMWD -- Defendant Western Municipal Water District of Riverside County.

5. List of Exhibits. The following exhibits are attached to this Judgment and made a part hereof:

"A" -- "Location Map of Chino Basin" showing boundaries of Chino Basin Municipal Water District, and other geographic and political features.

"B" -- "Hydrologic Map of Chino Basin" showing hydrologic features of Chino Basin.

"C" -- Table Showing Parties in Overlying (Agricultural) Pool.

"D" -- Table Showing Parties in Overlying (Non-agricultural Pool and Their Rights.

"E" -- Table Showing Appropriators and Their Rights.

"F" -- Overlying (Agricultural) Pool Pooling Plan.

"G" -- Overlying (Non-agricultural) Pool Pooling Plan.

"H" -- Appropriative Pool Pooling Plan.

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"I" -- Engineering Appendix.

"J" -- Map of In Lieu Area No. 1.

"K" -- Legal Description of Chino Basin.

II. DECLARATION OF RIGHTS

A. HYDROLOGY

6. Safe Yield. The Safe Yield of Chino Basin is 140,000 acre feet per year.

7. Overdraft and Prescriptive Circumstances. In each year for a period in excess of five years prior to filing of the First Amended Complaint herein, the Safe Yield of the Basin has been exceeded by the annual production therefrom, and Chino Basin is and has been for more than five years in a continuous state of overdraft. The production constituting said overdraft has been open, notorious, continuous, adverse, hostile and under claim of right. The circumstances of said overdraft have given notice to all parties of the adverse nature of such aggregate over-production.

B. WATER RIGHTS IN SAFE YIELD

8. Overlying Rights. The parties listed in Exhibits "C" and "D" are the owners or in possession of lands which overlie Chino Basin. As such, said parties have exercised overlying water rights in Chino Basin. All overlying rights owned or exercised by parties listed in Exhibits "C" and "D" have, in the aggregate, been limited by prescription except to the extent such rights have been preserved by self-help by said parties. Aggregate preserved overlying rights in the Safe Yield for agricultural pool use, including the rights of the State of California, total 82,800 acre feet per year. Overlying rights for non-agricultural pool use

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total 7,366 acre feet per year and are individually decreed for each affected party in Exhibit "D". No portion of the Safe Yield of Chino Basin exists to satisfy unexercised overlying rights, and such rights have all been lost by prescription. However, uses may be made of Basin Water on overlying lands which have no preserved overlying rights pursuant to the Physical Solution herein. All overlying rights are appurtenant to the land and cannot be assigned or conveyed separate or apart therefrom.

9. Appropriative Rights. The parties listed in Exhibit "E" are the owners of appropriative rights, including rights by prescription, in the unadjusted amounts therein set forth, and by reason thereof are entitled under the Physical Solution to share in the remaining Safe Yield, after satisfaction of overlying rights and rights of the State of California, and in the Operating Safe Yield in Chino Basin, in the annual shares set forth in Exhibit "E".

(a) Loss of Priorities. By reason of the long continued overdraft in Chino Basin, and in light of the complexity of determining appropriative priorities and the need for conserving and making maximum beneficial use of the water resources of the State, each and all of the parties listed in Exhibit "E" are estopped and barred from asserting special priorities or preferences, inter se. All of said appropriative rights are accordingly deemed and considered of equal priority.

(b) Nature and Quantity. All rights listed in Exhibit "E" are appropriative and prescriptive in nature. By reason of the status of the parties, and the provisions of Section

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1007 of the Civil Code, said rights are immune from reduction or limitation by prescription.

10. Rights of the State of California. The State of California, by and through its Department of Corrections, Youth Authority and Department of Fish and Game, is a significant producer of ground water from and the State is the largest owner of land overlying Chino Basin. The precise nature and scope of the claims and rights of the State need not be, and are not, defined herein. The State, through said departments, has accepted the Physical Solution herein decreed, in the interests of implementing the mandate of Section 2 of Article X of the California Constitution. For all purposes of this Judgment, all future production by the State or its departments or agencies for overlying use on State-owned lands shall be considered as agricultural pool use.

C. RIGHTS TO AVAILABLE GROUND WATER STORAGE CAPACITY

11. Available Ground Water Storage Capacity. There exists in Chino Basin a substantial amount of available ground water storage capacity which is not utilized for storage or regulation of Basin Waters. Said reservoir capacity can appropriately be utilized for storage and conjunctive use of supplemental water with Basin Waters. It is essential that said reservoir capacity utilization for storage and conjunctive use of supplemental water be undertaken only under Watermaster control and regulation, in order to protect the integrity of both such Stored Water and Basin Water in storage and the Safe Yield of Chino Basin.

12. Utilization of Available Ground Water Capacity. Any person or public entity, whether a party to this action or not, may make reasonable beneficial use of the available ground water

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storage capacity of Chino Basin for storage of supplemental water; provided that no such use shall be made except pursuant to written agreement with Watermaster, as authorized by Paragraph 28. In the allocation of such storage capacity, the needs and requirements of lands overlying Chino Basin and the owners of rights in the Safe Yield or Operating Safe Yield of the Basin shall have priority and preference over storage for export.

III. INJUNCTION

13. Injunction Against Unauthorized Production of Basin Water. Each party in each of the respective pools is enjoined, as follows:

(a) Overlying (Agricultural) Pool. Each party in the Overlying (Agricultural) Pool, its officers, agents, employees, successors and assigns, is and they each are ENJOINED AND RESTRAINED from producing ground water from Chino Basin in any year hereafter in excess of such party's correlative share of the aggregate of 82,800 acre feet allocated to said Pool, except pursuant to the Physical Solution or a storage water agreement.

(b) Overlying (Non-Agricultural) Pool. Each party in the Overlying (Non-agricultural) Pool, its officers, agents, employees, successors and assigns, is and they each are ENJOINED AND RESTRAINED from producing ground water of Chino Basin in any year hereafter in excess of such party's decreed rights in the Safe Yield, except pursuant to the provisions of the Physical Solution or a storage water agreement.

(c) Appropriative Pool. Each party in the

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Appropriative Pool, its officers, agents, employees, successors and assigns, is and they are each ENJOINED AND RESTRAINED from producing ground water of Chino Basin in any year hereafter in excess of such party's decreed share of Operating Safe Yield, except pursuant to the provisions of the Physical Solution or a storage water agreement.

14. Injunction Against Unauthorized Storage or Withdrawal of Stored Water. Each party, its officers, agents, employees, successors and assigns is and they each are ENJOINED AND RESTRAINED from storing supplemental water in Chino Basin for withdrawal, or causing withdrawal of, water stored by that party, except pursuant to the terms of a written agreement with Watermaster and in accordance with Watermaster regulations. Any supplemental water stored or recharged in the Basin, except pursuant to such a Water-master agreement, shall be deemed abandoned and not classified as Stored Water. This paragraph has no application, as such, to supplemental water spread or provided in lieu by Watermaster pursuant to the Physical Solution.

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IV. CONTINUING JURISDICTION

15. Continuing Jurisdiction. Full jurisdiction, power and authority are retained and reserved to the Court as to all matters contained in this judgment, except:

(a) The redetermination of Safe Yield, as set forth in Paragraph 6, during the first ten (10) years of operation of the Physical Solution;

(b) The allocation of Safe Yield as between the several pools as set forth in Paragraph 44 of the Physical Solution;

(c) The determination of specific quantitative rights and shares in the declared Safe Yield or Operating Safe Yield herein declared in Exhibits "D" and "E"; and

(d) The amendment or modification of Paragraphs 7(a) and (b) of Exhibit "H", during the first ten (10) years of operation of the Physical Solution, and thereafter only upon affirmative recommendation of at least 67% of the voting power (determined pursuant to the formula described in Paragraph 3 of Exhibit "H"), but not less than one-third of the members of the Appropriative Pool Committee representatives of parties who produce water within CBMWD or WMWD; after said tenth year the formula set forth in said Paragraph 7(a) and 7(b) of Exhibit "H" for payment of the costs of replenishment water may be changed to 100% gross or net, or any percentage split thereof, but only in response to recommendation to the Court by affirmative vote of at least 67% of said voting power of the Appropriative Pool representatives of parties who produce ground water within CBMWD or WMWD, but not less than one-third of their number. In such event, the Court shall act in conformance with such recommendation unless there are compelling reasons to the contrary; and provided, further, that the fact that the allocation of Safe Yield or Operating Safe Yield shares may be rendered moot by a recommended change in the formula for replenishment assessments shall not be deemed to be such a "compelling reason."

Said continuing jurisdiction is provided for the purpose of enabling the Court, upon application of any party, the Watermaster, the Advisory Committee or any Pool Committee, by motion and, upon

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at least 30 days' notice thereof, and after hearing thereon, to make such further or supplemental orders or directions as may be necessary or appropriate for interpretation, enforcement or carrying out of this Judgment, and to modify, amend or amplify any of the provisions of this Judgment.

V. WATERMASTER

A. APPOINTMENT

16. Watermaster Appointment. CBMWD, acting by and through a majority of its board of directors, is hereby appointed Watermaster, to administer and enforce the provisions of this Judgment and any subsequent instructions or orders of the Court hereunder. The term of appointment of Watermaster shall be for five (5) years. The Court will by subsequent orders provide for successive terms or for a successor Watermaster. Watermaster may be changed at any time by subsequent order of the Court, on its own motion, or on the motion of any party after notice and hearing. Unless there are compelling reasons to the contrary, the Court shall act in conformance with a motion requesting the Watermaster be changed if such motion is supported by a majority of the voting power of the Advisory Committee.

B. POWERS AND DUTIES

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

18. Rules and Regulations. Upon recommendation by the

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Advisory Committee, Watermaster shall make and adopt, after public hearing, appropriate rules and regulations for conduct of Watermaster affairs, including meeting schedules and procedures, and compensation of members of Watermaster at not to exceed $25 per member per meeting, or $300 per member per year, whichever is less, plus reasonable expenses related to activities within the Basin. Thereafter, Watermaster may amend said rules from time to time upon recommendation, or with approval of the Advisory Committee after hearing noticed to all active parties. A copy of said rules and regulations, and of any amendments thereof, shall be mailed to each active party.

19. Acquisition of Facilities. Watermaster may purchase, lease, acquire and hold all necessary facilities and equipment; provided, that it is not the intent of the Court that Watermaster acquire any interest in real property or substantial capital assets.

20. Employment of Experts and Agents. Watermaster may employ or retain such administrative, engineering, geologic, accounting, legal or other specialized personnel and consultants as may be deemed appropriate in the carrying out of its powers and shall require appropriate bonds from all officers and employees handling Watermaster funds. Watermaster shall maintain records for purposes of allocation of costs of such services as well as of all other expenses of Watermaster administration as between the several pools established by the Physical Solution.

21. Measuring Devices. Watermaster shall cause parties, pursuant to uniform rules, to install and maintain in good operating condition, at the cost of each party, such necessary measuring

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devices or meters as Watermaster may deem appropriate. Such measuring devices shall be inspected and tested as deemed necessary by Watermaster, and the cost thereof shall constitute an expense of Watermaster.

22. Assessments. Watermaster is empowered to levy and collect all assessments provided for in the pooling plans and Physical Solution.

23. Investment of Funds. Watermaster may hold and invest any and all Watermaster funds in investments authorized from time to time for public agencies of the State of California.

24. Borrowing. Watermaster may borrow from time to time amounts not exceeding the annual anticipated receipts of Watermaster during such year.

25. Contracts. Watermaster may enter into contracts for the performance of any powers herein granted; provided, however, that Watermaster may not contract with or purchase materials, supplies or services from CBMWD, except upon the prior recommendation and approval of the Advisory Committee and pursuant to written order of the Court.

26. Cooperation With Other Agencies. Subject to prior recommendation or approval of the Advisory Committee, Watermaster may act jointly or cooperate with agencies of the United States and the State of California or any political subdivisions, municipalities or districts or any person to the end that the purpose of the Physical Solution may be fully and economically carried out.

27. Studies. Watermaster may, with concurrence of the Advisory Committee or affected Pool Committee and in accordance with Paragraph 54(b), undertake relevant studies of hydrologic

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conditions, both quantitative and qualitative, and operating aspects of implementation of the management program for Chino Basin.

28. Ground Water Storage Agreements. Watermaster shall adopt, with the approval of the Advisory Committee, uniformly applicable rules and a standard form of agreement for storage of supplemental water, pursuant to criteria therefor set forth in Exhibit "I". Upon appropriate application by any person, Watermaster shall enter into such a storage agreement; provided that all such storage agreements shall first be approved by written order of the Court, and shall by their terms preclude operations which will have a substantial adverse impact on other producers.

29. Accounting for Stored Water. Watermaster shall calculate additions, extractions and losses and maintain an annual account of all Stored Water in Chino Basin, and any losses of water supplies or Safe Yield of Chino Basin resulting from such Stored Water.

30. Annual Administrative Budget. Watermaster shall submit to Advisory Committee an administrative budget and recommendation for each fiscal year on or before March 1. The Advisory Committee shall review and submit said budget and their recommendations to Watermaster on or before April 1, following. Watermaster shall hold a public hearing on said budget at its April quarterly meeting and adopt the annual administrative budget which shall include the administrative items for each pool committee. The administrative budget shall set forth budgeted items in sufficient detail as necessary to make a proper allocation of the expense among the several pools, together with Watermaster's proposed allocation. The budget shall contain such additional comparative information

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or explanation as the Advisory Committee may recommend from time to time. Expenditures within budgeted items may thereafter be made by Watermaster in the exercise of powers herein granted, as a matter of course. Any budget transfer in excess of 20% of a budget category during any budget year or modification of such administrative budget during any year shall be first submitted to the Advisory Committee for review and recommendation.

31. Review Procedures. All actions, decisions or rules of Watermaster shall be subject to review by the Court on its own motion or on timely motion by any party, the Watermaster (in the case of a mandated action), the Advisory Committee, or any Pool Committee, as follows:

(a) Effective Date of Watermaster Action. Any action, decision or rule of Watermaster shall be deemed to have occurred or been enacted on the date on which written notice thereof is mailed. Mailing of copies of approved Watermaster minutes to the active parties shall constitute such notice to all parties.

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

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(c) Time for Motion. Notice of motion to review any Watermaster action, decision or rule shall be served and filed within ninety (90) days after such Watermaster action, decision or rule, except for budget actions, in which event said notice period shall be sixty (60) days.

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

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

C. ADVISORY AND POOL COMMITTEES

32. Authorization. Watermaster is authorized and directed to cause committees of producer representatives to be organized to act as Pool Committees for each of the several pools created under the Physical Solution. Said Pool Committees shall, in turn, jointly form an Advisory Committee to assist Watermaster in performance of its functions under this judgment. Pool Committees shall be composed as specified in the respective pooling plans, and the Advisory Committee shall be composed of not to exceed ten (10) voting representatives from each pool, as designated by the

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respective Pool Committee. WMWD, PVMWD and SBVMWD shall each be entitled to one non-voting representative on said Advisory Committee.

33. Term and Vacancies. Members of any Pool Committee, shall serve for the term, and vacancies shall be filled, as specified in the respective pooling plan. Members of the Advisory Committee shall serve at the will of their respective Pool Committee.

34. Voting Power. The voting power on each Pool Committee shall be allocated as provided in the respective pooling plan. The voting power on the Advisory Committee shall be one hundred (100) votes allocated among the three pools in proportion to the total assessments paid to Watermaster during the preceding year; provided, that the minimum voting power of each pool shall be

(a) Overlying (Agricultural) Pool 20,

(b) Overlying (Non-agricultural) Pool 5, and

(c) Appropriative Pool 20.

In the event any pool is reduced to its said minimum vote, the remaining votes shall be allocated between the remaining pools on said basis of assessments paid to Watermaster by each such remaining pool during the preceding year. The method of exercise of each pool's voting power on the Advisory Committee shall be as determined by the respective pool committees.

35. Quorum. A majority of the voting power of the Advisory Committee or any Pool Committee shall constitute a quorum for the transaction of affairs of such Advisory or Pool Committee; provided, that at least one representative of each Pool Committee shall be required to constitute a quorum of the Advisory Committee. No Pool Committee representative may purposely absent himself or

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herself, without good cause, from an Advisory Committee meeting to deprive it of a quorum. Action by affirmative vote of a majority of the entire voting power of any Pool Committee or the Advisory Committee shall constitute action by such committee. Any action or recommendation of a Pool Committee or the Advisory Committee shall be transmitted to Watermaster in writing, together with a report of any dissenting vote or opinion.

36. Compensation. Pool or Advisory Committee members may receive compensation, to be established by the respective pooling plan, but not to exceed twenty-five dollars ($25.00) for each meeting of such Pool or Advisory Committee attended, and provided that no member of a Pool or Advisory Committee shall receive compensation of more than three hundred ($300.00) dollars for service on any such committee during any one year. All such compensation shall be a part of Watermaster administrative expense. No member of any Pool or Advisory Committee shall be employed by Watermaster or compensated by Watermaster for professional or other services rendered to such Pool or Advisory Committee or to Watermaster, other than the fee for attendance at meetings herein provided, plus reimbursement of reasonable expenses related to activities within the Basin.

37. Organization.

(a) Organizational Meeting. At its first meeting in each year, each Pool Committee and the Advisory Committee shall elect a chairperson and a vice chairperson from its membership. It shall also select a secretary, a treasurer and such assistant secretaries and treasurers as may be appropriate, any of whom may, but need not, be members of

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such Pool or Advisory Committee.

(b) Regular Meetings. All Pool Committees and the Advisory Committee shall hold regular meetings at a place and time to be specified in the rules to be adopted by each Pool and Advisory Committee. Notice of regular meetings of any Pool or Advisory Committee, and of any change in time or place thereof, shall be mailed to all active parties in said pool or pools.

(c) Special Meetings. Special meetings of any Pool or Advisory Committee may be called at any time by the Chairperson or by any three (3) members of such Pool or Advisory Committee by delivering notice personally or by mail to each member of such Pool or Advisory Committee and to each active party at least 24 hours before the time of each such meeting in the case of personal delivery, and 96 hours in the case of mail. The calling notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such meeting.

(d) Minutes. Minutes of all Pool Committee, Advisory Committee and Watermaster meetings shall be kept at Watermaster's offices. Copies thereof shall be mailed or otherwise furnished to all active parties in the pool or pools concerned. Said copies of minutes shall constitute notice of any Pool or Advisory Committee action therein reported, and shall be available for inspection by any party.

(e) Adjournments. Any meeting of any Pool or Advisory Committee may be adjourned to a time and place specified in the order of adjournment. Less than a quorum may so adjourn

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from time to time. A copy of the order or notice of adjournment shall be conspicuously posted forthwith on or near the door of the place where the meeting was held.

38. Powers and Functions. The powers and functions of the respective Pool Committees and the Advisory Committee shall be as follows:

(a) Pool Committees. Each Pool Committee shall have the power and responsibility for developing policy recommendations for administration of its particular pool, as created under the Physical Solution. All actions and recommendations of any Pool Committee which require Watermaster implementation shall first be noticed to the other two pools. If no objection is received in writing within thirty (30) days, such action or recommendation shall be transmitted directly to Watermaster for action. If any such objection is received, such action or recommendation shall be reported to the Advisory Committee before being transmitted to Watermaster.

(b) Advisory Committee. The Advisory Committee shall have the duty to study, and the power to recommend, review and act upon all discretionary determinations made or to be made hereunder by Watermaster.

[1] Committee Initiative. When any recommendation or advice of the Advisory Committee is received by Watermaster, action consistent therewith may be taken by Watermaster; provided, that any recommendation approved by 80 votes or more in the Advisory Committee shall constitute a mandate for action by Watermaster consistent therewith. If Watermaster is unwilling or unable to act

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pursuant to recommendation or advice from the Advisory Committee (other than such mandatory recommendations), Watermaster shall hold a public hearing, which shall be followed by written findings and decision. Thereafter, Watermaster may act in accordance with said decision, whether consistent with or contrary to said Advisory Committee recommendation. Such action shall be subject to review by the Court, as in the case of all other Watermaster determinations.

[2] Committee Review. In the event Watermaster proposes to take any discretionary action, other than approval or disapproval of a Pool Committee action or recommendation properly transmitted, or execute any agreement not theretofore within the scope of an Advisory Committee recommendation, notice of such intended action shall be served on the Advisory Committee and its members at least thirty (30) days before the Watermaster meeting at which such action is finally authorized.

(c) Review of Watermaster Actions. Watermaster (as to mandated action), the Advisory Committee or any Pool Committee shall be entitled to employ counsel and expert assistance in the event Watermaster or such Pool or Advisory Committee seeks Court review of any Watermaster action or failure to act. The cost of such counsel and expert assistance shall be Watermaster expense to be allocated to the affected pool or pools.

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VI. PHYSICAL SOLUTION

A. GENERAL

39. Purpose and Objective. Pursuant to the mandate of Section 2 of Article X of the California Constitution, the Court hereby adopts and orders the parties to comply with a Physical Solution. The purpose of these provisions is to establish a legal and practical means for making the maximum reasonable beneficial use of the waters of Chino Basin by providing the optimum economic, long-term, conjunctive utilization of surface waters, ground waters and supplemental water, to meet the requirements of water users having rights in or dependent upon Chino Basin.

40. Need for Flexibility. It is essential that this Physical Solution provide maximum flexibility and adaptability in order that Watermaster and the Court may be free to use existing and future technological, social, institutional and economic options, in order to maximize beneficial use of the waters of Chino Basin. To that end, the Court's retained jurisdiction will be utilized, where appropriate, to supplement the discretion herein granted to the Wastermaster.

41. Watermaster Control. Watermaster, with the advice of the Advisory and Pool Committees, is granted discretionary powers in order to develop an optimum basin management program for Chino Basin, including both water quantity and quality considerations. Withdrawals and supplemental water replenishment of Basin Water, and the full utilization of the water resources of Chino Basin, must be subject to procedures established by and administered through Watermaster with the advice and assistance of the Advisory and Pool Committees composed of the affected producers. Both the

quantity and quality of said water resources may thereby be preserved and the beneficial utilization of the Basin maximized.

42. General Pattern of Operations. It is contemplated that the rights herein decreed will be divided into three (3) operating pools for purposes of Watermaster administration. A fundamental premise of the Physical Solution is that all water users dependent upon Chino Basin will be allowed to pump sufficient waters from the Basin to meet their requirements. To the extent that pumping exceeds the share of the Safe Yield assigned to the Overlying Pools, or the Operating Safe Yield in the case of the Appropriative Pool, each pool will provide funds to enable Watermaster to replace such overproduction. The method of assessment in each pool shall be as set forth in the applicable pooling plan.

B. POOLING

43. Multiple Pools Established. There are hereby established three (3) pools for Watermaster administration of, and for the allocation of responsibility for, and payment of, costs of replenishment water and other aspects of this Physical Solution.

(a) Overlying (Agricultural) Pool. The first pool shall consist of the State of California and all overlying producers who produce water for other than industrial or commercial purposes. The initial members of the pool are listed in Exhibit "C".

(b) Overlying (Non-agricultural) Pool. The second pool shall consist of overlying producers who produce water for industrial or commercial purposes. The initial members of this pool are listed in Exhibit "D".

(c) Appropriative Pool. A third and separate pool shall

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consist of owners of appropriative rights. The initial members of the pool are listed in Exhibit "E".

Any party who changes the character of his use may, by subsequent order of the Court, be reassigned to the proper pool; but the allocation of Safe Yield under Paragraph 44 hereof shall not be changed. Any non-party producer or any person who may hereafter commence production of water from Chino Basin, and who may become a party to this physical solution by intervention, shall be assigned to the proper pool by the order of the Court authorizing such intervention.

44. Determination and Allocation of Rights to Safe Yield of Chino Basin. The declared Safe Yield of Chino Basin is hereby allocated as follows:

Pool	Allocation
Overlying (Agricultural) Pool	414,000 acre feet in any five (5) consecutive years.
Overlying (Non-agricultural) Pool.	7,366 acre feet per year.
Appropriative Pool	49,834 acre feet per year.

The foregoing acre foot allocations to the overlying pools are fixed. Any subsequent change in the Safe Yield shall be debited or credited to the Appropriative Pool. Basin Water available to the Appropriative Pool without replenishment obligation may vary from year to year as the Operating Safe Yield is determined by Watermaster pursuant to the criteria set forth in Exhibit "I".

45. Annual Replenishment. Watermaster shall levy and collect assessments in each year, pursuant to the respective pooling plans, in amounts sufficient to purchase replenishment water to replace production by any pool during the preceding year which exceeds that

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pool's allocated share of Safe Yield in the case of the overlying pools, or Operating Safe Yield in the case of the Appropriative Pool. It is anticipated that supplemental water for replenishment of Chino Basin may be available at different rates to the various pools to meet their replenishment obligations. If such is the case, each pool will be assessed only that amount necessary for the cost of replenishment water to that pool, at the rate available to the pool, to meet its replenishment obligation.

46. Initial Pooling Plans. The initial pooling plans, which are hereby adopted, are set forth in Exhibits "F", "G" and "H", respectively. Unless and until modified by amendment of the judgment pursuant to the Court's continuing jurisdiction, each such plan shall control operation of the subject pool.

C. REPORTS AND ACCOUNTING

47. Production Reports. Each party or responsible party shall file periodically with Watermaster, pursuant to Watermaster rules, a report on a form to be prescribed by Watermaster showing the total production of such party during the preceding reportage period, and such additional information as Watermaster may require, including any information specified by the affected Pool Committee.

48. Watermaster Reports and Accounting. Watermaster's annual report, which shall be filed on or before November 15 of each year and shall apply to the preceding year's operation, shall contain details as to operation of each of the pools and a certified audit of all assessments and expenditures pursuant to this Physical Solution and a review of Watermaster activities.

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D. REPLENISHMENT

49. Sources of Supplemental Water. Supplemental water may be obtained by Watermaster from any available source. Watermaster shall seek to obtain the best available quality of supplemental water at the most reasonable cost for recharge in the Basin. To the extent that costs of replenishment water may vary between pools, each pool shall be liable only for the costs attributable to its required replenishment. Available sources may include, but are not limited to:

(a) Reclaimed Water. There exist a series of agreements generally denominated the Regional Waste Water Agreements between CBMWD and owners of the major municipal sewer systems within the basin. Under those agreements, which are recognized hereby but shall be unaffected and unimpaired by this judgment, substantial quantities of reclaimed water may be made available for replenishment purposes. There are additional sources of reclaimed water which are, or may become, available to Watermaster for said purposes. Maximum beneficial use of reclaimed water shall be given high priority by Watermaster.

(b) State Water. State water constitutes a major available supply of supplemental water. In the case of State Water, Watermaster purchases shall comply with the water service provisions of the State's water service contracts. More specifically, Watermaster shall purchase State Water from MWD for replenishment of excess production within CBMWD, WMWD and PVMWD, and from SBVMWD to replenish excess production within SBVMWD's boundaries in Chino Basin, except to the

extent that MWD and SBVMWD give their consent as required by such State water service contracts.

(c) Local Import. There exist facilities and methods for importation of surface and ground water supplies from adjacent basins and watersheds.

(d) Colorado River Supplies. MWD has water supplies available from its Colorado River Aqueduct.

50. Methods of Replenishment. Watermaster may accomplish replenishment of overproduction from the Basin by any reasonable method, including:

(a) Spreading and percolation or Injection of water in existing or new facilities, subject to the provisions of Paragraphs 19, 25 and 26 hereof.

(b) In Lieu Procedures. Watermaster may make, or cause to be made, deliveries of water for direct surface use, in lieu of ground water production.

E. REVENUES

51. Production Assessment. Production assessments, on whatever basis, may be levied by Watermaster pursuant to the pooling plan adopted for the applicable pool.

52. Minimal Producers. Minimal Producers shall be exempted from payment of production assessments, upon filing of production reports as provided in Paragraph 47 of this Judgment, and payment of an annual five dollar ($5.00) administrative fee as specified by Watermaster rules.

53. Assessment Proceeds -- Purposes. Watermaster shall have the power to levy assessments against the parties (other than minimal pumpers) based upon production during the preceding period

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of assessable production, whether quarterly, semi-annually or annually, as may be determined most practical by Watermaster or the affected Pool Committee.

54. Administrative Expenses. The expenses of administration of this Physical Solution shall be categorized as either (a) general Watermaster administrative expense, or (b) special project expense.

(a) General Watermaster Administrative Expense shall include office rental, general personnel expense, supplies and office equipment, and related incidental expense and general overhead.

(b) Special Project Expense shall consist of special engineering, economic or other studies, litigation expense, meter testing or other major operating expenses. Each such project shall be assigned a Task Order number and shall be separately budgeted and accounted for.

General Watermaster administrative expense shall be allocated and assessed against the respective pools based upon allocations made by the Watermaster, who shall make such allocations based upon generally accepted cost accounting methods. Special Project Expense shall be allocated to a specific pool, or any portion thereof, only upon the basis of prior express assent and finding of benefit by the Pool Committee, or pursuant to written order of the Court.

55. Assessments -- Procedure. Assessments herein provided for shall be levied and collected as follows:

(a) Notice of Assessment. Watermaster shall give written notice of all applicable assessments to each party on

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or before ninety (90) days after the end of the production period to which such assessment is applicable.

(b) Payment. Each assessment shall be payable on or before thirty (30) days after notice, and shall be the obligation of the party or successor owning the water production facility at the time written notice of assessment is given, unless prior arrangement for payment by others has been made in writing and filed with Watermaster.

(c) Delinquency. Any delinquent assessment shall bear interest at 10% per annum (or such greater rate as shall equal the average current cost of borrowed funds to the Watermaster) from the due date thereof. Such delinquent assessment and interest may be collected in a show-cause proceeding herein instituted by the Watermaster, in which case the Court may allow Watermaster its reasonable costs of collection, including attorney's fees.

56. Accumulation of Replenishment Water Assessment Proceeds. In order to minimize fluctuation in assessment and to give Watermaster flexibility in purchase and spreading of replenishment water, Watermaster may make reasonable accumulations of replenishment water assessment proceeds. Interest earned on such retained funds shall be added to the account of the pool from which the funds were collected and shall be applied only to the purchase of replenishment water.

57. Effective Date. The effective date for accounting and operation under this Physical Solution shall be July 1, 1977, and the first production assessments hereunder shall be due after July 1, 1978. Watermaster shall, however, require installation of

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meters or measuring devices and establish operating procedures immediately, and the costs of such Watermaster activity (not including the cost of such meters and measuring devices) may be recovered in the first administrative assessment in 1978.

VII. MISCELLANEOUS PROVISIONS

58. Designation of Address for Notice and Service. Each party shall designate the name and address to be used for purposes of all subsequent notices and service herein, either by its endorsement on the Stipulation for Judgment or by a separate designation to be filed within thirty (30) days after Judgment has been served. Said designation may be changed from time to time by filing a written notice of such change with the Watermaster. Any party desiring to be relieved of receiving notices of Watermaster or committee activity may file a waiver of notice on a form to be provided by Watermaster. Thereafter such party shall be removed from the Active Party list. Watermaster shall maintain at all times a current list of active parties and their addresses for purposes of service. Watermaster shall also maintain a full current list of names and addresses of all parties or their successors, as filed herein. Copies of such lists shall be available, without cost, to any party, the Advisory Committee or any Pool Committee upon written request therefor.

59. Service of Documents. Delivery to or service upon any party or active party by the Watermaster, by any other party, or by the Court, of any item required to be served upon or delivered to such party or active party under or pursuant to the Judgment shall be made personally or by deposit in the United States mail, first

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class, postage prepaid, addressed to the designee and at the address in the latest designation filed by such party or active party.

60. Intervention After Judgment. Any non-party assignee of the adjudicated appropriative rights of any appropriator, or any other person newly proposing to produce water from Chino Basin, may become a party to this judgment upon filing a petition in intervention. Said intervention must be confirmed by order of this Court. Such intervenor shall thereafter be a party bound by this judgment and entitled to the rights and privileges accorded under the Physical Solution herein, through the pool to which the Court shall assign such intervenor.

61. Loss of Rights. Loss, whether by abandonment, forfeiture or otherwise, of any right herein adjudicated shall be accomplished only (1) by a written election by the owner of the right filed with Watermaster, or (2) by order of the Court upon noticed motion and after hearing.

62. Scope of Judgment. Nothing in this Judgment shall be deemed to preclude or limit any party in the assertion against a neighboring party of any cause of action now existing or hereafter arising based upon injury, damage or depletion of water supply available to such party, proximately caused by nearby pumping which constitutes an unreasonable interference with such complaining party's ability to extract ground water.

63. Judgment Binding on Successors. This Judgment and all provisions thereof are applicable to and binding upon not only the parties to this action, but also upon their respective heirs, executors, administrators, successors, assigns, lessees and

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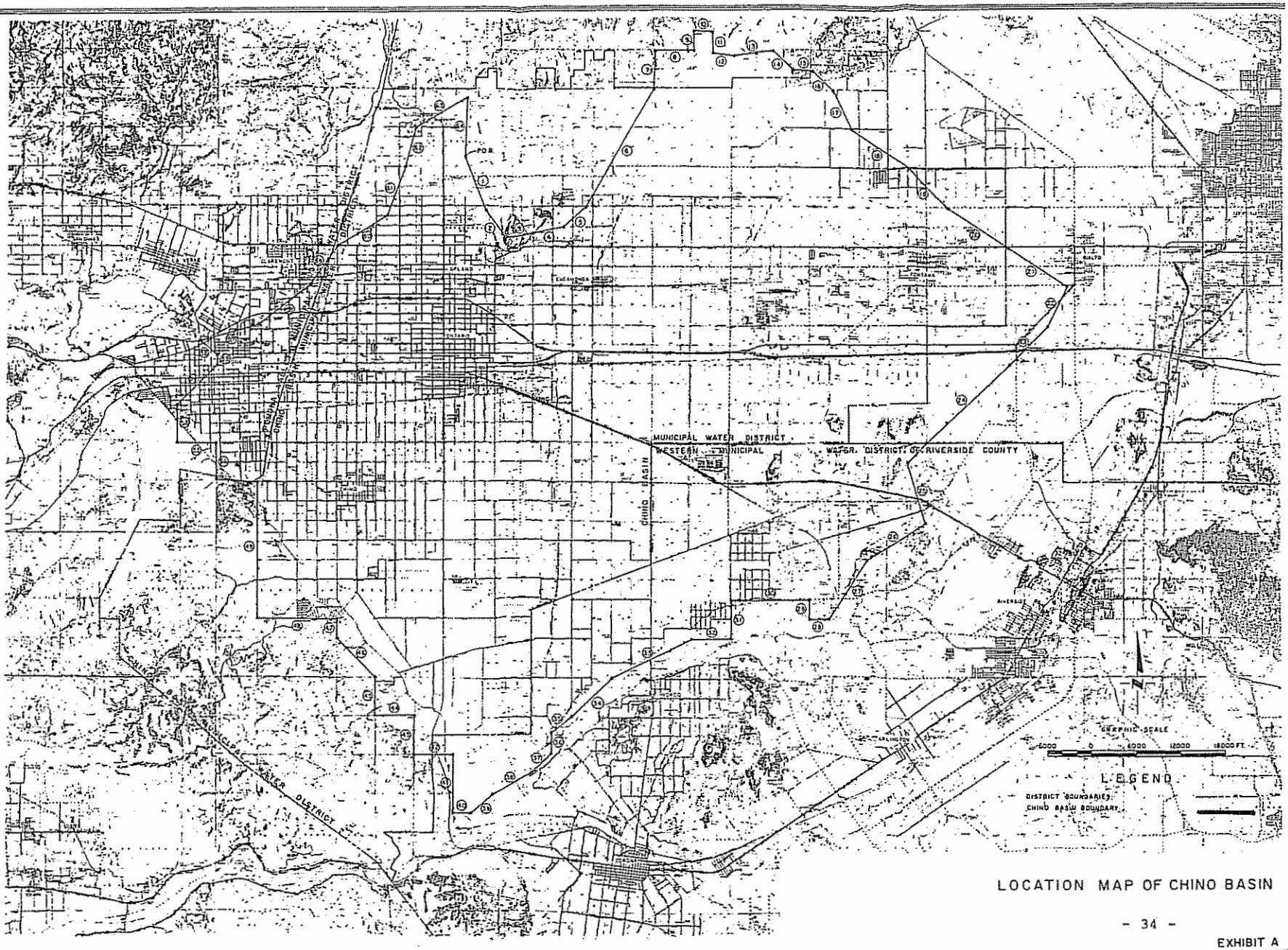
licensees and upon the agents, employees and attorneys in fact of all such persons.

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

Dated: JAN 27 1978.

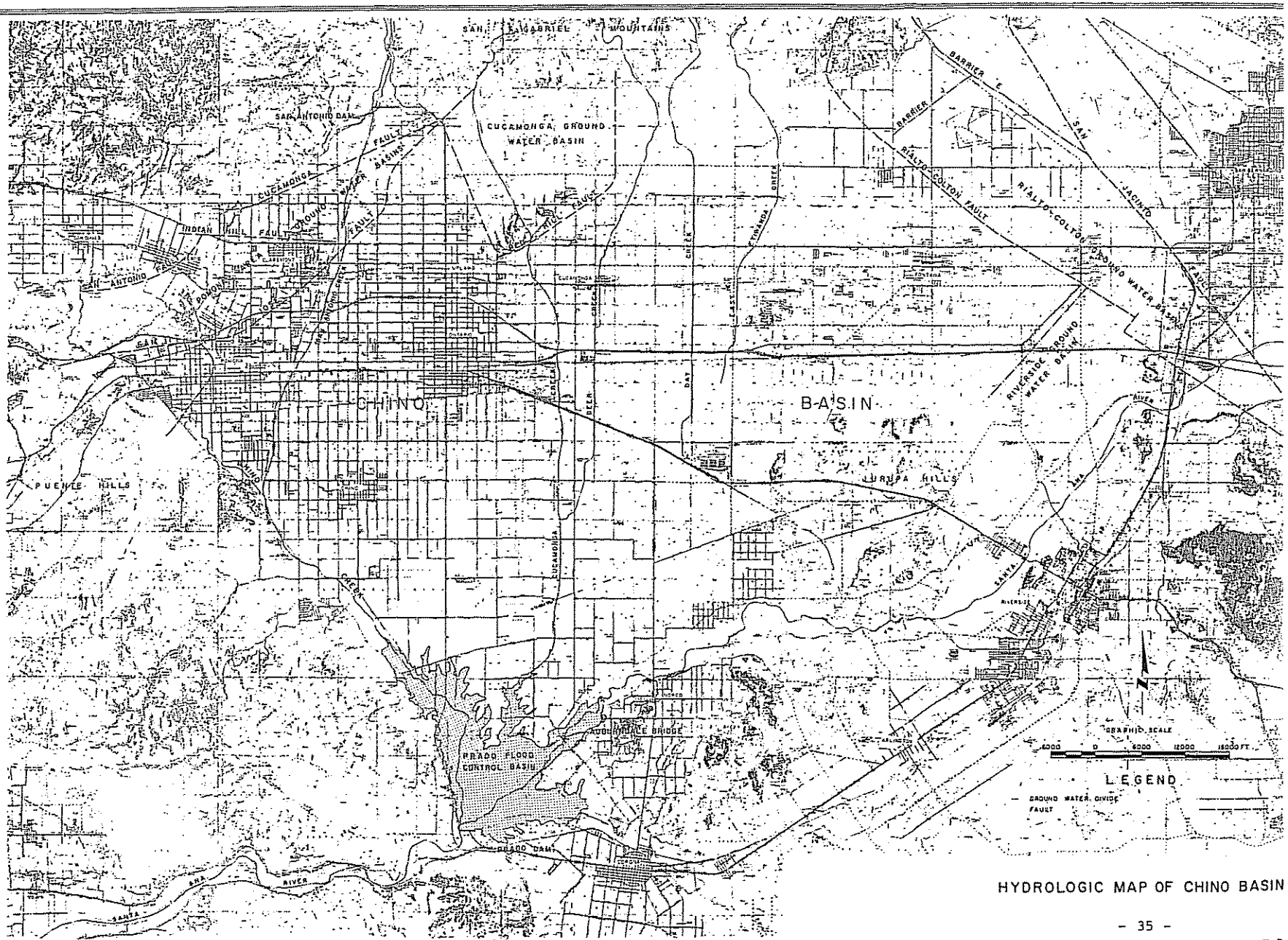
Arnold B. Weiss
Judge

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LOCATION MAP OF CHINO BASIN

EXHIBIT A



HYDROLOGIC MAP OF CHINO BASIN

EXHIBIT B

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STIPULATING OVERLYING AGRICULTURAL PRODUCERS

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

Abacherli Dairy, Inc.
Abacherli, Frank
Abacherli, Shirley
Abbona, Anna
Abbona, James
Abbona, Jim
Abbona, Mary
Agliani, Amelia H.
Agman, Inc.
Aguerre, Louis B.
Ahmanson Trust Co.
Akiyama, Shizuye
Akiyama, Tomoo
Akkerman, Dave
Albers, J. N.
Albers, Nellie
Alewyn, Jake J.
Alewyn, Normalee
Alger, Mary D.
Alger, Raymond
Allen, Ben F.
Allen, Jane F.
Alta-Dena Dairy
Anderson Farms
Anguiano, Sarah L. S.
Anker, Gus
Aphessetche, Xavier
Arena Mutual Water Assn.
Armstrong Nurseries, Inc.
Arretche, Frank
Arretche, Jean Pierre
Arvidson, Clarence F.
Arvidson, Florence
Ashley, George W.
Ashley, Pearl E.
Atlas Farms
Atlas Ornamental Iron Works, Inc.
Aukeman, Carol
Aukeman, Lewis
Ayers, Kenneth C., aka
Kelley Ayers
Bachoc, Raymond
Baldwin, Edgar A.
Baldwin, Lester
Banbury, Carolyn
Bangma Dairy
Bangma, Arthur
Bangma, Ida
Bangma, Martin
Bangma, Sam
Barba, Anthony B.
Barba, Frank
Barcellos, Joseph
Barnhill, Maurine W.

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Barnhill, Paul	Boersma, Angie
Bartel, Dale	Boersma, Berdina
Bartel, Ursula	Boersma, Frank
Bartel, Willard	Boersma, Harry
Barthelemy, Henry	Boersma, Paul
Barthelemy, Roland	Boersma, Sam
Bassler, Donald V., M.D.	Boersma, William L.
Bates, Lowell R.	Bohlander & Holmes, Inc.
Bates, Mildred L.	Bokma, Peter
Beahm, James W.	Bollema, Jacob
Beahm, Joan M.	Boonstoo, Edward
Bekendam, Hank	Bootsma, Jim
Bekendam, Pete	Borba, Dolene
Bello, Eugene	Borba, Dolores
Bello, Olga	Borba, Emily
Beltman, Evelyn	Borba, George
Beltman, Tony	Borba, John
Bergquist Properties, Inc.	Borba, John & Sons
Bevacqua, Joel A.	Borba, John Jr.
Bevacqua, Marie B.	Borba, Joseph A.
Bidart, Bernard	Borba, Karen E.
Bidart, Michael J.	Borba, Karen M.
Binnell, Wesley	Borba, Pete, Estate of
Black, Patricia E.	Borba, Ricci
Black, Victor	Borba, Steve
Bodger, John & Sons Co.	Borba, Tom
Boer, Adrian	Bordisso, Alleck
Boersma and Wind Dairy	Borges, Angelica M.

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Borges, Bernadette
Borges, John O.
Borges, Linda L.
Borges, Manual Jr.
Borges, Tony
Bos, Aleid
Bos, Gerrit
Bos, John
Bos, John
Bos, Margaret
Bos, Mary
Bos, Mary Beth
Bos, Tony
Bosch, Henrietta
Bosch, Peter T.
Boschma, Betty
Boschma, Frank
Boschma, Greta
Boschma, Henry
Bosma, Dick
Bosma, Florence G.
Bosma, Gerrit
Bosma, Jacob J.
Bosma, Jeanette Thea
Bosman, Frank
Bosman, Nellie
Bosnyak, Goldie M.
Bosnyak, Martin
Bothof, Roger W.
Bouma, Cornie
Bouma, Emma
Bouma, Henry P.
Bouma, Martin
Bouma, Peter G. & Sons Dairy
Bouma, Ted
Bouman, Helen
Bouman, Sam
Bower, Mabel E.
Boys Republic
Breedyk, Arie
Breedyk, Jessie
Briano Brothers
Briano, Albert
Briano, Albert Trustee for
Briano, Albert Frank
Briano, Lena
Brink, Russell N.
Brinkerhoff, Margaret
Brinkerhoff, Robert L.
Britschgi, Florence
Britschgi, Magdalena Garetto
Britschgi, Walter P.
Brommer, Marvin
Brookside Enterprizes, dba
Brookside Vineyard Co.
Brothers Three Dairy

Brown, Eugene
Brun, Martha M.
Brun, Peter Robert
Buma, Duke
Buma, Martha
Bunse, Nancy
Bunse, Ronnie L.
Caballero, Bonnie L.
Caballero, Richard F.
Cable Airport Inc.
Cadlini, Donald
Cadlini, Jesse R.
Cadlini, Marie Edna
Cambio, Anna
Cambio, Charles, Estate of
Cambio, William V.
Cardoza, Florence
Cardoza, Olivi
Cardoza, Tony
Carnesi, Tom
Carver, Robt M., Trustee
Cauffman, John R.
Chacon Bros.
Chacon, Elvera P.
Chacon, Joe M.
Chacon, Robert M.
Chacon, Virginia L.
Chez, Joseph C.
Chino Corona Investment
Chino Water Co.
Christensen, Leslie
Christensen, Richard G.
Christian, Ada R.
Christian, Harold F.
Christy, Ella J.
Christy, Ronald S.
Cihigoyenetche, Jean
Cihigoyenetche, Leona
Cihigoyenetche, Martin
Clarke, Arthur B.
Clarke, Nancy L.
Clarke, Phyllis J.
Coelho, Isabel
Coelho, Joe A. Jr.
Collins, Howard E.
Collins, Judith F.
Collinsworth, Ester L.
Collinsworth, John E.
Collinsworth, Shelby
Cone Estate (05-2-00648/649)
Consolidated Freightways Corp.
of Delaware
Corona Farms Co.
Corra, Rose
Costa, Dimas S.
Costa, Laura

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Costa, Myrtle	De Boer, L. H.
Costamagna, Antonio	De Boer, Sidney
Costamagna, Joseph	De Bos, Andrew
Cousyn, Claus B.	De Graaf, Anna Mae
Cramer, Carole F.	De Graaf, Gerrit
Cramer, William R.	De Groot, Dick
Crossroads Auto Dismantlers, Inc.	De Groot, Dorothy
Crouse, Beatrice I.	De Groot, Ernest
Crouse, Roger	De Groot, Henrietta
Crowley, Juanita C.	De Groot, Jake
Crowley, Ralph	De Groot, Pete Jr.
Cucamonga Vintners	De Haan, Bernadena
D'Astici, Teresa	De Haan, Henry
Da Costa, Cecilia B.	De Hoog, Adriana
Da Costa, Joaquim F.	De Hoog, Joe
Daloisio, Norman	De Hoog, Martin
De Berard Bros.	De Hoog, Martin L.
De Berard, Arthur, Trustee	De Hoog, Mitch
De Berard, Charles	De Hoog, Tryntje
De Berard, Chas., Trustee	De Jager, Cobi
De Berard, Helan J.	De Jager, Edward D.
De Berard, Robert	De Jong Brothers Dairy
De Berard, Robert, Trustee	De Jong, Cornelis
De Bie, Adrian	De Jong, Cornelius
De Bie, Henry	De Jong, Grace
De Bie, Margaret M.	De Jong, Jake
De Bie, Marvin	De Jong, Lena
De Boer, Fred	De Leeuw, Alice

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De Leeuw, Sam	Dirkse, Catherine
De Soete, Agnes	Dirkse, Charles C.
De Soete, Andre	Dixon, Charles E.
De Vries, Abraham	Dixon, Geraldine A.
De Vries, Case	Doesberg, Hendrica
De Vries, Dick	Doesburg, Theodorus P.
De Vries, Evelyn	Dolan, Marion
De Vries, Henry, Estate of	Dolan, Michael H.
De Vries, Hermina	Dominguez, Helen
De Vries, Jack H.	Dominguez, Manual
De Vries, Jane	Donkers, Henry A.
De Vries, Janice	Donkers, Nellie G.
De Vries, John	Dotta Bros.
De Vries, John J.	Douma Brothers Dairy
De Vries, Neil	Douma, Betty A.
De Vries, Ruth	Douma, Fred A.
De Vries, Theresa	Douma, Hendrika
De Wit, Gladys	Douma, Herman G.
De Wit, Peter S.	Douma, Narleen J.
De Wyn, Evert	Douma, Phillip M.
De Zoete, Hattie V.	Dow Chemical Co.
De Zoete, Leo A.	Dragt, Rheta
Decker, Hallie	Dragt, William
Decker, Henry A.	Driftwood Dairy Farm
Demmer, Ernest	Droogh, Case
Di Carlo, Marie	Duhalde, Marian
Di Carlo, Victor	Duhalde, Lauren
Di Tommaso, Frank	Duits, Henrietta

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Duits, John	Excelsior Farms
	F.D.I.C.
Dunlap, Edna Kraemer,	Fagundes, Frank M.
Estate of	Fagundes, Mary
Durrington, Glen	Fernandes, Joseph Jr.
Durrington, William F.	Fernandes, Velma C.
Dusi, John, Sr.	Ferraro, Ann
Dykstra, Dick	Ferreira, Frank J.
Dykstra, John	Ferreira, Joe C. Jr.
Dykstra, John & Sons	Ferreira, Narcie
Dykstra, Wilma	Filippi, J. Vintage Co.
Dyt, Cor	Filippi, Joseph
Dyt, Johanna	Filippi, Joseph A.
E and S Grape Growers	Filippi, Mary E.
Eaton, Thomas, Estate of	Fitzgerald, John R.
Echeverria, Juan	Flameling Dairy Inc.
Echeverria, Carlos	Flamingo Dairy
Echeverria, Pablo	Foss, Douglas E.
Eilers, E. Myrle	Foss, Gerald R.
Eilers, Henry W.	Foss, Russel
El Prado Golf Course	Fred & John Troost No. 1 Inc.
Ellsworth, Rex C.	Fred & Maynard Troost No. 2 Inc.
Engelsma, Jake	Freitas, Beatriz
Engelsma, Susan	Freitas, Tony T.
Escojeda, Henry	Gakle, Louis L.
Etiwanda Grape Products Co.	Galleano Winery, Inc.
Euclid Ave. Investment One	Galleano, Bernard D.
Euclid Ave. Investment Four	Galleano, D.
Euclid Ave. Three Investment	Galleano, Mary M.

Garcia, Pete
Gardner, Leland V.
Gardner, Lola M.
Garrett, Leonard E.
Garrett, Patricia T.
Gastelluberry, Catherine
Gastelluberry, Jean
Gilstrap, Glen E.
Gilstrap, Marjorie J.
Godinho, John
Godinho, June
Gonsalves, Evelyn
Gonsalves, John
Gorzeman, Geraldine
Gorzeman, Henry A.
Gorzeman, Joe
Govea, Julia
Goyenetche, Albert
Grace, Caroline E.
Grace, David J.
Gravatt, Glenn W.
Gravatt, Sally Mae
Greydanus Dairy, Inc.
Greydanus, Rena
Griffin Development Co.
Haagsma, Dave
Haagsma, John
Hansen, Mary D.
Hansen, Raymond F.
Hanson, Ardeth W.
Harada, James T.
Harada, Violet A.
Haringa, Earl and Sons
Haringa, Herman
Haringa, Rudy
Haringa, William
Harper, Cecilia de Mille
Harrington, Winona
Harrison, Jacqueline A.
Hatanaka, Kenichi
Heida, Annie
Heida, Don
Heida, Jim
Heida, Sam
Helms, Addison D.
Helms, Irma A.
Hermans, Alma I.
Hermans, Harry
Hettinga, Arthur
Hettinga, Ida
Hettinga, Judy
Hettinga, Mary
Hettinga, Wilbur
Heublein, Inc., Grocery Products Group
Hibma, Catherine M.

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Hibma, Sidney
Hicks, Kenneth I.
Hicks, Minnie M.
Higgins Brick Co.
Highstreet, Alfred V.
Highstreet, Evada V.
Hilarides, Bertha as Trustee
Hilarides, Frank
Hilarides, John as Trustee
Hindelang, Tillie
Hindelang, William
Hobbs, Bonnie C.
Hobbs, Charles W.
Hobbs, Hazel I.
Hobbs, Orlo M.
Hoekstra, Edward
Hoekstra, George
Hoekstra, Grace
Hoekstra, Louie
Hofer, Paul B.
Hofer, Phillip F.
Hofstra, Marie
Hogeboom, Jo Ann M.
Hogeboom, Maurice D.
Hogg, David V.
Hogg, Gene P.
Hogg, Warren G.
Hohberg, Edith J.
Hohberg, Harold C.
Hohberg, Harold W.
Holder, Arthur B.
Holder, Dorothy F.
Holmes, A. Lee
Holmes, Frances P.
Hoogeboom, Gertrude
Hoogeboom, Pete
Hoogendam, John
Hoogendam, Tena
Houssels, J. K. Thoroughbred Farm
Hunt Industries
Idsinga, Ann
Idsinga, William W.
Imbach Ranch, Inc.
Imbach, Kenneth E.
Imbach, Leonard K.
Imbach, Oscar K.
Imbach, Ruth M.
Indaburu, Jean
Indaburu, Marceline
Iseli, Kurt H.
Ito, Kow
J & B Dairy Inc.
Jaques, Johnny C. Jr.
Jaques, Mary
Jaques, Mary Lou

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Jay Em Bee Farms	Knevelbaard, John
Johnson Bro's Egg Ranches, Inc.	Knudsen, Ejnar
Johnston, Ellwood W.	Knudsen, Karen M.
Johnston, George F. Co.	Knudsen, Kenneth
Johnston, Judith H.	Knudson, Robert
Jones, Leonard P.	Knudson, Darlene
Jongsma & Sons Dairy	Koel, Helen S.
Jongsma, Diana A.	Koetsier, Gerard
Jongsma, Dorothy	Koetsier, Gerrit J.
Jongsma, George	Koetsier, Jake
Jongsma, Harold	Koning, Fred W.
Jongsma, Henry	Koning, Gloria
Jongsma, John	Koning, J. W. Estate
Jongsma, Nadine	Koning, James A.
Jongsma, Tillie	Koning, Jane
Jordan, Marjorie G.	Koning, Jane C.
Jordan, Troy O.	Koning, Jennie
Jorritsma, Dorothy	Koning, John
Juliano, Albert	Koning, Victor A.
Kamper, Cornelis	Kooi Holstein Corporation
Kamstra, Wilbert	Koolhaas, Kenneth E.
Kaplan, Lawrence J.	Koolhaas, Simon
Kasbergen, Martha	Koolhaas, Sophie Grace
Kasbergen, Neil	Koopal, Grace
Kazian, Angelen Estate of	Koopal, Silas
Kingsway Const. Corp.	Koopman, Eka
Klapps Market	Koopman, Gene T.
Kline, James K.	Koopman, Henry G.

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Koopman, Ted
Koopman, Tena
Koot, Nick
Koster, Aart
Koster, Frances
Koster, Henry B.
Koster, Nellie
Kroes, Jake R.
Kroeze, Bros
Kroeze, Calvin E.
Kroeze, John
Kroeze, Wesley
Kruckenberg, Naomi
Kruckenberg, Perry
L. D. S. Welfare Ranch
Labrucherie, Mary Jane
Labrucherie, Raymond F.
Lako, Samuel
Landman Corp.
Lanting, Broer
Lanting, Myer
Lass, Jack
Lass, Sandra L.
Lawrence, Cecelia, Estate of
Lawrence, Joe H., Estate of
Leal, Bradley W.
Leal, John C.
Leal, John Craig
Leck, Arthur A.
Leck, Evelyn M.
Lee, Harold E.
Lee, Helen J.
Lee, Henrietta C.
Lee, R. T. Construction Co.
Lekkerkerk, Adriana
Lekkerkerk, L. M.
Lekkerkerker, Nellie
Lekkerkerker, Walt
Lewis Homes of California
Livingston, Dorothy M.
Livingston, Rex E.
Lokey, Rosemary Kraemer
Lopes, Candida A.
Lopes, Antonio S.
Lopez, Joe D.
Lourenco, Carlos, Jr.
Lourenco, Carmelina P.
Lourenco, Jack C.
Lourenco, Manual H.
Lourenco, Mary
Lourenco, Mary
Luiten, Jack
Luiz, John M.
Luna, Christine I.
Luna, Ruben T.
Lusk, John D. and Son
a California corporation

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Lyon, Gregory E.
Lyon, Paula E.
M & W Co. #2
Madole, Betty M.
Madole, Larry B.
Marquez, Arthur
Marquine, Jean
Martin, Lelon O.
Martin, Leon O.
Martin, Maria D.
Martin, Tony J.
Martins, Frank
Mathias, Antonio
Mc Cune, Robert M.
Mc Masters, Gertrude
Mc Neill, J. A.
Mc Neill, May F.
Mees, Leon
Mello and Silva Dairy
Mello and Sousa Dairy
Mello, Emilia
Mello, Enos C.
Mello, Mercedes
Mendiondo, Catherine
Mendiondo, Dominique
Meth. Hosp. - Sacramento
Metzger, R. S.
Metzger, Winifred
Mickel, Louise
Miersma, Dorothy
Meirsma, Harry C.
Minaberry, Arnaud
Minaberry, Marie
Mistretta, Frank J.
Mocho and Plaa Inc.
Mocho, Jean
Mocho, Noeline
Modica, Josephine
Montes, Elizabeth
Montes, Joe
Moons, Beatrice
Moons, Jack
Moramarco, John A. Enterprises
Moreno, Louis W.
Moss, John R.
Motion Pictures Associates, Inc.
Moynier, Joe
Murphy, Frances V.
Murphy, Myrl L.
Murphy, Naomi
Nanne, Martin Estate of
Nederend, Betty
Nederend, Hans
Norfolk, James
Norfolk, Martha
Notrica, Louis

Nyberg, Lillian N.
Nyenhuis, Annie
Nyenhuis, Jim
Occidental Land Research
Okumura, Marion
Okumura, Yuiche
Oldengarm, Effie
Oldengarm, Egbert
Oldengarm, Henry
Oliviera, Manuel L.
Oliviera, Mary M.
Olson, Albert
Oltmans Construction Co.
Omlin, Anton
Omlin, Elsie L.
Ontario Christian School Assn.
Oord, John
Oostdam, Jacoba
Oostdam, Pete
Oosten, Agnes
Oosten, Anthonia
Oosten, Caroline
Oosten, John
Oosten, Marinus
Oosten, Ralph
Orange County Water District
Ormonde, Manuel
Ormonde, Pete, Jr.
Ormonde, Viva
Ortega, Adeline B.
Ortega, Bernard Dino
Osterkamp, Joseph S.
Osterkamp, Margaret A.
P I E Water Co.
Palmer, Eva E.
Palmer, Walter E.
Parente, Luis S.
Parente, Mary Borba
Parks, Jack B.
Parks, Laura M.
Patterson, Lawrence E. Estate of
Payne, Clyde H.
Payne, Margo
Pearson, Athelia K.
Pearson, William C.
Pearson, William G.
Pene, Robert
Perian, Miller
Perian, Ona E.
Petrissans, Deanna
Petrissans, George
Petrissans, Jean P.
Petrissans, Marie T.
Pickering, Dora M.
(Mrs. A. L. Pickering)
Pierce, John

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Pierce, Sadie
Pietszak, Sally
Pine, Joe
Pine, Virginia
Pires, Frank
Pires, Marie
Plaa, Jeanne
Plaa, Michel
Plantenga, Agnes
Plantenga, George
Poe, Arlo D.
Pomona Cemetery Assn.
Porte, Cecelia, Estate of
Porte, Garritt, Estate of
Portsmouth, Vera McCarty
Ramella, Mary M.
Ramirez, Concha
Rearick, Hildegard H.
Rearick, Richard R.
Reinalda, Clarence
Reitsma, Greta
Reitsma, Louis
Rice, Bernice
Rice, Charlie E.
Richards, Karin
(Mrs. Ronnie Richards)
Richards, Ronald L.
Ridder, Jennie Wassenaar
Righetti, A. T.
Riley, George A.
Riley, Helen C.
Robbins, Jack K.
Rocha, John M.
Rocha, Jose C.
Rodrigues, John
Rodrigues, Manuel
Rodrigues, Manuel, Jr.
Rodrigues, Mary L.
Rodriquez, Daniel
Rogers, Jack D.
Rohrer, John A.
Rohrer, Theresa D.
Rohrs, Elizabeth H.
Rossetti, M. S.
Roukema, Angeline
Roukema, Ed.
Roukema, Nancy
Roukema, Siebren
Ruderian, Max J.
Russell, Fred J.
Rusticus, Ann
Rusticus, Charles
Rynsburger, Arie
Rynsburger, Berdena, Trust
Rynsburger, Joan Adele
Rynsburger, Thomas

S. P. Annex, Inc.

Salisbury, Elinor J.

Sanchez, Edmundo

Sanchez, Margarita O.

Santana, Joe Sr.

Santana, Palmira

Satragni, John B. Jr.

Scaramella, George P.

Schaafsma Bros.

Schaafsma, Jennie

Schaafsma, Peter

Schaafsma, Tom

Schaap, Andy

Schaap, Ids

Schaap, Maria

Schacht, Sharon C.

Schakel, Audrey

Schakel, Fred

Schmid, Olga

Schmidt, Madeleine

Schoneveld, Evert

Schoneveld, Henrietta

Schoneveld, John

Schoneveld, John Allen

Schug, Donald E.

Schug, Shirley A.

Schuh, Bernatta M.

Schuh, Harold H.

Scott, Frances M.

Scott, Linda F.

Scott, Stanley A.

Scritsmier, Lester J.

Serl, Charles A.

Serl, Rosalie P.

Shady Grove Dairy, Inc.

Shamel, Burt A.

Shelby, Harold E.

Shelby, John A.

Shelby, Velma M.

Shelton, Alice A.

Sherwood, Robert W.

Sherwood, Sheila J.

Shue, Eva

Shue, Gilbert

Sieperda, Anne

Sieperda, James

Sigrist, Hans

Sigrist, Rita

Silveira, Arline L.

Silveira, Frank

Silveira, Jack

Silveira, Jack P. Jr.

Simas, Dolores

Simas, Joe

Singleton, Dean

Singleton, Elsie R.

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Sinnott, Mildred B.	Stahl, Zippora P.
Slegers, Dorothy	Stampfl, Berta
Slegers, Hubert J.	Stampfl, William
Slegers, Jake	Stanley, Robert E.
Slegers, Jim	Stark, Everett
Slegers, Lenwood M.	Stellingwerf, Andrew
Slegers, Martha	Stellingwerf, Henry
Slegers, Tesse J.	Stellingwerf, Jenette
Smith, Edward S.	Stellingwerf, Shana
Smith, Helen D.	Stellingwerf, Stan
Smith, James E.	Stelzer, Mike C.
Smith, Keith J.	Sterk, Henry
Smith, Lester W.	Stiefel, Winifred
Smith, Lois Maxine	Stiefel, Jack D.
Smith, Marjorie W.	Stigall, Richard L.
Soares, Eva	Stigall, Vita
Sogioka, Mitsuyoshi	Stockman's Inn
Sogioka, Yoshimato	Stouder, Charlotte A.
Sousa, Sam	Stouder, William C.
Southern Pacific Land Co.	Struikmans, Barbara
Southfield, Eddie	Struikmans, Gertie
Souza, Frank M.	Struikmans, Henry Jr.
Souza, Mary T.	Struikmans, Henry Sr.
Spickerman, Alberta	Struikmans, Nellie
Spickerman, Florence	Swager, Edward
Spickerman, Rudolph	Swager, Gerben
Spyksma, John	Swager, Johanna

Swager, Marion
Swierstra, Donald
Swierstra, Fanny
Sybrandy, Ida
Sybrandy, Simon
Sytsma, Albert
Sytsma, Edith
Sytsma, Jennie
Sytsma, Louie
Te Velde, Agnes
Te Velde, Bay
Te Velde, Bernard A.
Te Velde, Bonnie
Te Velde, Bonnie G.
Te Velde, George
Te Velde, George, Jr.
Te Velde, Harm
Te Velde, Harriet
Te Velde, Henry J.
Te Velde, Jay
Te Velde, Johanna
Te Velde, John H.
Te Velde, Ralph A.
Te Velde, Zwaantina, Trustee
Ter Maaten, Case
Ter Maaten, Cleone
Ter Maaten, Steve
Terpstra, Carol
Terpstra, Theodore G.
Teune, Tony
Teunissen, Bernard
Teunissen, Jane
Thomas, Ethel M.
Thommen, Alice
Thommen, Fritz
Tillema, Allie
Tillema, Harold
Tillema, Klaas D.
Timmons, William R.
Tollerup, Barbara
Tollerup, Harold
Trapani, Louis A.
Trimlett, Arlene R.
Trimlett, George E.
Tristant, Pierre
Tuinhout, Ale
Tuinhout, Harry
Tuinhout, Hilda
Tuls, Elizabeth
Tuls, Jack S.
Tuls, Jake
Union Oil Company of California
United Dairyman's Co-op.
Urquhart, James G.
Usle, Cathryn
Usle, Faustino

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V & Y Properties
Vaile, Beryl M.
Valley Hay Co.
Van Beek Dairy Inc.
Van Canneyt Dairy
Van Canneyt, Maurice
Van Canneyt, Wilmer
Van Dam, Bas
Van Dam, Isabelle
Van Dam, Nellie
Van Den Berg, Gertrude
Van Den Berg, Joyce
Van Den Berg, Marinus
Van Den Berg, Marvin
Van Der Linden, Ardith
Van Der Linden, John
Van Der Linden, Stanley
Van Der Veen, Kenneth
Van Diest, Anna T.
Van Diest, Cornelius
Van Diest, Ernest
Van Diest, Rena
Van Dyk, Bart
Van Dyk, Jeanette
Van Foeken, Martha
Van Foeken, William
Van Hofwegan, Steve
Van Hofwegen, Adrian A.
Van Hofwegen, Clara
Van Hofwegen, Jessie
Van Klaveren, A.
Van Klaveren, Arie
Van Klaveren, Wilhelmina
Van Klaveren, William
Van Leeuwen, Arie C.
Van Leeuwen, Arie C.
Van Leeuwen, Arlan
Van Leeuwen, Clara G.
Van Leeuwen, Cornelia L.
Van Leeuwen, Harriet
Van Leeuwen, Jack
Van Leeuwen, John
Van Leeuwen, Letie
Van Leeuwen, Margie
Van Leeuwen, Paul
Van Leeuwen, William A.
Van Ravenswaay, Donald
Van Ryn Dairy
Van Ryn, Dick
Van Surksum, Anthonetta
Van Surksum, John
Van Veen, John
Van Vliet, Effie
Van Vliet, Hendrika
Van Vliet, Hugo
Van Vliet, Klaas

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Vanden Berge, Gertie	Vander Laan, Martin Jr.
Vanden Berge, Gertie	Vander Laan, Tillie
Vanden Berge, Jack	Vander Leest, Anna
Vanden Berge, Jake	Vander Leest, Ann
Vanden Brink, Stanley	Vander Meer, Alice
Vander Dussen, Agnes	Vander Meer, Dick
Vander Dussen, Cor	Vander Poel, Hank
Vander Dussen, Cornelius	Vander Poel, Pete
Vander Dussen, Edward	Vander Pol, Irene
Vander Dussen, Geraldine Marie	Vander Pol, Margie
Vander Dussen, James	Vander Pol, Marines
Vander Dussen, John	Vander Pol, William P.
Vander Dussen, Nelvina	Vander Schaaf, Earl
Vander Dussen, Rene	Vander Schaaf, Elizabeth
Vander Dussen, Sybrand Jr.	Vander Schaaf, Henrietta
Vander Dussen, Sybrand Sr.	Vander Schaaf, John
Vander Dussen Trustees	Vander Schaaf, Ted
Vander Eyk, Case Jr.	Vander Stelt, Catherine
Vander Eyk, Case Sr.	Vander Stelt, Clarence
Vander Feer, Peter	Vander Tuig, Arlene
Vander Feer, Rieka	Vander Tuig, Sylvester
Vander Laan, Ann	Vander Veen, Joe A.
Vander Laan, Ben	Vandervlag, Robert
Vander Laan, Bill	Vander Zwan, Peter
Vander Laan, Corrie	Vanderford, Betty W.
Vander Laan, Henry	Vanderford, Claud R.
Vander Laan, James	Vanderham, Adrian

Vanderham, Cornelius	Vestal, J. Howard
Vanderham, Cornelius P.	Visser, Gerrit
Vanderham, Cory	Visser, Grace
Vanderham, E. Jane	Visser, Henry
Vanderham, Marian	Visser, Jess
Vanderham, Martin	Visser, Louie
Vanderham, Pete C.	Visser, Neil
Vanderham, Wilma	Visser, Sam
Vasquez, Eleanor	Visser, Stanley
Veenendaal, Evert	Visser, Tony D.
Veenendaal, John H.	Visser, Walter G.
Veiga, Dominick Sr.	Von Der Ahe, Fredric T.
Verbree, Jack	Von Euw, George
Verbree, Tillie	Von Euw, Marjorie
Verger, Bert	Von Lusk, a limited partnership
Verger, Betty	Voortman, Anna Marie
Verhoeven, Leona	Voortman, Edward
Verhoeven, Martin	Voortman, Edwin J.
Verhoeven, Wesley	Voortman, Gertrude Dena
Vermeer, Dick	Wagner, Richard H.
Vermeer, Jantina	Walker, Carole R.
Vernola Ranch	Walker, Donald E.
Vernola, Anthonietta	Walker, Wallace W.
Vernola, Anthony	Wardle, Donald M.
Vernola, Frank	Warner, Dillon B.
Vernola, Mary Ann	Warner, Minnie
Vernola, Pat F.	Wassenaar, Peter W.
Vestal, Frances Lorraine	Waters, Michael

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Weeda, Adriana
Weeda, Daniel
Weeks, O. L.
Weeks, Verona E.
Weidman, Maurice
Weidman, Virginia
Weiland, Adaline I.
Weiland, Peter J.
Wesselink, Jules
West, Katharine R.
West, Russel
West, Sharon Ann
Western Horse Property
Westra, Alice
Westra, Henry
Westra, Hilda
Westra, Jake J.
Weststeyn, Freida
Weststeyn, Pete
Whitehurst, Louis G.
Whitehurst, Pearl L.
Whitmore, David L.
Whitmore, Mary A.
Whitney, Adolph M.
Wiersema, Harm
Wiersema, Harry
Wiersma, Ellen H.
Wiersma, Gladys J.
Wiersma, Jake
Wiersma, Otto
Wiersma, Pete
Winchell, Verne H., Trustee
Wind, Frank
Wind, Fred
Wind, Hilda
Wind, Johanna
Woo, Frank
Woo, Sem Gee
Wybenga, Clarence
Wybenga, Gus
Wybenga, Gus K.
Wybenga, Sylvia
Wynja, Andy
Wynja, Iona F.
Yellis, Mildred
Yellis, Thomas E.
Ykema-Harmsen Dairy
Ykema, Floris
Ykema, Harriet
Yokley, Betty Jo
Yokley, Darrell A.
Zak, Zan
Zivelonghi, George
Zivelonghi, Margaret
Zwaagstra, Jake
Zwaagstra, Jessie M.
Zwart, Case

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NON-PRODUCER WATER DISTRICTS

Chino Basin Municipal Water District

Chino Basin Water Conservation District

Pomona Valley Municipal Water District

Western Municipal Water District of Riverside County

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DEFAULTING OVERLYING AGRICULTURAL PRODUCERS

Cheryl L. Bain	Roy W. Lantis
Warren Bain	Sharon I. Lantis
John M. Barcelona	Frank Lorenz
Letty Bassler	Dagney H. MacDonald
John Brazil	Frank E. Martin
John S. Briano	Ruth C. Martin
Lupe Briano	Connie S. Mello
Paul A. Briano	Naldiro J. Mello
Tillie Briano	Felice Miller
Arnie B. Carlson	Ted Miller
John Henry Fikse	Masao Nerio
Phyllis S. Fikse	Tom K. Nerio
Lewellyn Flory	Toyo Nerio
Mary I. Flory	Yuriko Nerio
L. H. Glazer	Harold L. Rees
Dorothy Goodman	Alden G. Rose
Sidney D. Goodman	Claude Rouleau, Jr.
Frank Grossi	Patricia M. Rouleau
Harada Brothers	Schultz Enterprises
Ellen Hettinga	Albert Shaw
Hein Hettinga	Lila Shaw
Dick Hofstra, Jr.	Cathy M. Stewart
Benjamin M. Hughey	Marvin C. Stewart
Frieda L. Hughey	Betty Ann Stone
Guillaume Indart	John B. Stone
Ellwood B. Johnston, Trustee	Vantoll Cattle Co., Inc.
Perry Kruckenberg, Jr.	Catherene Verburg

Martin Verburg

Donna Vincent

Larry Vincent

Cliff Wolfe & Associates

Ada M. Woll

Zarubica Co.

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EXHIBIT "D"

OVERLYING NON-AGRICULTURAL RIGHTS

Party	Total Overlying Non-Agricultural Rights (Acre Feet)	Share of Safe Yield (Acre Feet)
Ameron Steel Producers, Inc.	125	97.858
County of San Bernardino	171	133.870
Conrock Company	406	317.844
Kaiser Steel Corporation	3,743	2,930.274
Red Star Fertilizer	20	15.657
Southern California Edison Co.	1,255	982.499
Space Center, Mira Loma	133	104.121
Southern Service Co., dba Blue Seal Linen	24	18.789
Sunkist, Orange Products Division	2,393	1,873.402
Carlsberg Mobile Home Properties, Ltd. '73	593	464.240
Union Carbide Corporation	546	427.446
Quaker Chemical Co.	0	0
Totals	9,409	7,366.000

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EXHIBIT "E"
APPROPRIATIVE RIGHTS

Party	Appropriative Right (Acre Feet)	Share of Initial Operating Safe Yield (Acre Feet)	Share of Operating Safe Yield (Percent)
City of Chino	5,271.7	3,670.067	6.693
City of Norco	289.5	201.545	0.368
City of Ontario	16,337.4	11,373.816	20.742
City of Pomona	16,110.5	11,215.852	20.454
City of Upland	4,097.2	2,852.401	5.202
Cucamonga County Water District	4,431.0	3,084.786	5.626
Jurupa Community Services District	1,104.1	768.655	1.402
Monte Vista County Water District	5,958.7	4,148.344	7.565
West San Bernardino County Water District	925.5	644.317	1.175
Etiwanda Water Company	768.0	534.668	0.975
Felspar Gardens Mutual Water Company	68.3	47.549	0.087
Fontana Union Water Co.	9,188.3	6,396.736	11.666
Marygold Mutual Water Co.	941.3	655.317	1.195
Mira Loma Water Co.	1,116.0	776.940	1.417
Monta Vista Irr. Co.	972.1	676.759	1.234
Mutual Water Company of Glen Avon Heights	672.2	467.974	0.853
Park Water Company	236.1	164.369	0.300
Pomona Valley Water Co.	3,106.3	2,162.553	3.944
San Antonio Water Co.	2,164.5	1,506.888	2.748
Santa Ana River Water Company	1,869.3	1,301.374	2.373
Southern California Water Company	1,774.5	1,235.376	2.253
West End Consolidated Water Company	1,361.3	947.714	1.728
TOTAL	78,763.8	54,834.000	100.000

EXHIBIT "F"
OVERLYING (AGRICULTURAL) POOL
POOLING PLAN

1. Membership in Pool. The State of California and all producers listed in Exhibit "C" shall be the initial members of this pool, which shall include all producers of water for overlying uses other than industrial or commercial purposes.

2. Pool Meetings. The members of the pool shall meet annually, in person or by proxy, at a place and time to be designated by Watermaster for purposes of electing members of the Pool Committee and conducting any other business of the pool. Special meetings of the membership of the pool may be called and held as provided in the rules of the pool.

3. Voting. All voting at meetings of pool members shall be on the basis of one vote for each 100 acre feet or any portion thereof of production from Chino Basin during the preceding year, as shown by the records of Watermaster.

4. Pool Committee. The Pool Committee for this pool shall consist of not less than nine (9) representatives selected at large by members of the pool. The exact number of members of the Pool Committee in any year shall be as determined by majority vote of the voting power of members of the pool in attendance at the annual pool meeting. Each member of the Pool Committee shall have one vote and shall serve for a two-year term. The members first elected shall classify themselves by lot so that approximately one-half serve an initial one-year term. Vacancies during any term shall be filled by a majority of the remaining members of the Pool Committee.

5. Advisory Committee Representatives. The number of

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representatives of the Pool Committee on the Advisory Committee shall be as provided in the rules of the pool from time to time but not exceeding ten (10). The voting power of the pool on the Advisory Committee shall be apportioned and exercised as determined from time to time by the Pool Committee.

6. Replenishment Obligation. The pool shall provide funds for replenishment of any production by persons other than members of the Overlying (Non-agricultural) Pool or Appropriator Pool, in excess of the pool's share of Safe Yield. During the first five (5) years of operations of the Physical Solution, reasonable efforts shall be made by the Pool Committee to equalize annual assessments.

7. Assessments. All assessments in this pool (whether for replenishment water cost or for pool administration or the allocated share of Watermaster administration) shall be in an amount uniformly applicable to all production in the pool during the preceding year or calendar quarter. Provided, however, that the Agricultural Pool Committee, may recommend to the Court modification of the method of assessing pool members, inter se, if the same is necessary to attain legitimate basin management objectives, including water conservation and avoidance of undesirable socio-economic consequences. Any such modification shall be initiated and ratified by one of the following methods:

(a) Excess Production. In the event total pool production exceeds 100,000 acre feet in any year, the Pool Committee shall call and hold a meeting, after notice to all pool members, to consider remedial modification of the assessment formula.

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(b) Producer Petition. At any time after the fifth full year of operation under the Physical Solution, a petition by ten percent (10%) of the voting power or membership of the Pool shall compel the holding of a noticed meeting to consider revision of said formula of assessment for replenishment water.

In either event, a majority action of the voting power in attendance at such pool members' meeting shall be binding on the Pool Committee.

8. Rules. The Pool Committee shall adopt rules for conducting meetings and affairs of the committee and for administering its program and in amplification of the provisions, but not inconsistent with, this pooling plan.

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EXHIBIT "G"
OVERLYING (NON-AGRICULTURAL) POOL
POOLING PLAN

1. Membership in Pool. The initial members of the pool, together with the decreed share of the Safe Yield of each, are listed in Exhibit "D". Said pool includes producers of water for overlying industrial or commercial (non-agricultural) purposes, or such producers within the Pool who may hereafter take water pursuant to Paragraph 8 hereof.

2. Pool Committee. The Pool Committee for this pool shall consist of one representative designated by each member of the pool. Voting on the committee shall be on the basis of one vote for each member, unless a volume vote is demanded, in which case votes shall be allocated as follows:

The volume voting power on the Pool Committee shall be 1,484 votes. Of these, 742 votes shall be allocated on the basis of one vote for each ten (10) acre feet or fraction thereof of decreed shares in Safe Yield. (See Exhibit "D".) The remaining 742 votes shall be allocated proportionally on the basis of assessments paid to Watermaster during the preceding year.*

3. Advisory Committee Representatives. At least three (3) members of the Pool Committee shall be designated by said committee to serve on the Advisory Committee. The exact number of such representatives at any time shall be as determined by the Pool Committee. The voting power of the pool shall be exercised in the

*Or production assessments paid under Water Code Section 72140 et seq., as to years prior to the second year of operation under the Physical Solution hereunder.

Advisory Committee as a unit, based upon the vote of a majority of said representatives.

4. Replenishment Obligation. The pool shall provide funds for replenishment of any production in excess of the pool's share of Safe Yield in the preceding year.

5. Assessment. Each member of this pool shall pay an assessment equal to the cost of replenishment water times the number of acre feet of production by such producer during the preceding year in excess of (a) his decreed share of the Safe Yield, plus (b) any carry-over credit under Paragraph 7 hereof. In addition, the cost of the allocated share of Watermaster administration expense shall be recovered on an equal assessment against each acre foot of production in the pool during such preceding fiscal year or calendar quarter; and in the case of Pool members who take substitute ground water as set forth in Paragraph 8 hereof, such producer shall be liable for its share of administration assessment, as if the water so taken were produced, up to the limit of its decreed share of Safe Yield.

6. Assignment. Rights herein decreed are appurtenant to the land and are only assignable with the land for overlying use thereon; provided, however, that any appropriator who may, directly or indirectly, undertake to provide water service to such overlying lands may, by an appropriate agency agreement on a form approved by Watermaster, exercise said overlying right to the extent, but only to the extent necessary to provide water service to said overlying lands.

7. Carry-over. Any member of the pool who produces less than its assigned water share of Safe Yield may carry such unexercised

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right forward for exercise in subsequent years. The first water produced during any such subsequent year shall be deemed to be an exercise of such carry-over right. In the event the aggregate carry-over by any pool member exceeds its share of Safe Yield, such member shall, as a condition of preserving such surplus carry-over, execute a storage agreement with Watermaster.

8. Substitute Supplies. To the extent that any Pool member, at the request of Watermaster and with the consent of the Advisory Committee, takes substitute surface water in lieu of producing ground water otherwise subject to production as an allocated share of Safe Yield, said party shall nonetheless remain a member of this Pool.

9. Rules. The Pool Committee shall adopt rules for administering its program and in amplification of the provisions, but not inconsistent with, this pooling plan.

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EXHIBIT "H"
APPROPRIATIVE POOL
POOLING PLAN

1. Qualification for Pool. Any city, district or other public entity and public utility -- either regulated under Public Utilities Commission jurisdiction, or exempt therefrom as a non-profit mutual water company (other than those assigned to the Overlying [Agricultural] Pool) -- shall be a member of this pool. All initial members of the pool are listed in Exhibit "E", together with their respective appropriative rights and acre foot allocation and percentage shares of the initial and subsequent Operating Safe Yield.

2. Pool Committee. The Pool Committee shall consist of one (1) representative appointed by each member of the Pool.

3. Voting. The total voting power on the Pool Committee shall be 1,000 votes. Of these, 500 votes shall be allocated in proportion to decreed percentage shares in Operating Safe Yield. The remaining 500 votes shall be allocated proportionally on the basis of assessments paid to Watermaster during the preceding year.* Routine business of the Pool Committee may be conducted on the basis of one vote per member, but upon demand of any member a weighted vote shall be taken. Affirmative action of the Committee shall require a majority of the voting power of members in attendance, provided that it includes concurrence by at least one-third of its total members.

4. Advisory Committee Representatives. Ten (10) members of

*Or production assessments paid under Water Code Section 72140 et seq., as to years prior to the second year of operation under the Physical Solution hereunder.

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the Pool Committee shall be designated to represent this pool on the Advisory Committee. Each major appropriator, i.e., the owner of an adjudicated appropriative right in excess of 3,000 acre feet, shall be entitled to one representative. The remaining members representing the Appropriative Pool on the Advisory Committee shall be elected at large by the remaining members of the pool. The voting power of the Appropriative Pool on the Advisory Committee shall be apportioned between the major appropriator representatives in proportion to their respective voting power in the Pool Committee. The remaining two representatives shall exercise equally the voting power proportional to the Pool Committee voting power of all remaining appropriators; provided, however, that if any representative fails to attend an Advisory Committee meeting, the voting power of that representative shall be allocated among the representatives of the Appropriator Pool in attendance in the same proportion as their own respective voting powers.

5. Replenishment Obligation. The pool shall provide funds for purchase of replenishment water to replace any production by the pool in excess of Operating Safe Yield during the preceding year.

6. Administrative Assessment. Costs of administration of this pool and its share of general Watermaster expense shall be recovered by a uniform assessment applicable to all production during the preceding year.

7. Replenishment Assessment. The cost of replenishment water required to replace production from Chino Basin in excess of Operating Safe Yield in the preceding year shall be allocated and recovered as follows:

(a) For production, other than for increased export, within CBMWD or WMWD:

(1) Gross Assessment. 15% of such replenishment water costs shall be recovered by a uniform assessment against all production of each appropriator producing in said area during the preceding year.

(2) Net Assessment. The remaining 85% of said costs shall be recovered by a uniform assessment on each acre foot of production from said area by each such appropriator in excess of his allocated share of Operating Safe Yield during said preceding year.

(b) For production which is exported for use outside Chino Basin in excess of maximum export in any year through 1976, such increased export production shall be assessed against the exporting appropriator in an amount sufficient to purchase replenishment water from CBMWD or WMWD in the amount of such excess.

(c) For production within SBVMWD or PVMWD:

By an assessment on all production in excess of an appropriator's share of Operating Safe Yield in an amount sufficient to purchase replenishment water through SBVMWD or MWD in the amount of such excess.

8. Socio-Economic Impact Review. The parties have conducted certain preliminary socio-economic impact studies. Further and more detailed socio-economic impact studies of the assessment formula and its possible modification shall be undertaken for the Appropriator Pool by Watermaster no later than ten (10) years from the effective date of this Physical Solution, or whenever total

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production by this pool has increased by 30% or more over the decreed appropriative rights, whichever is first.

9. Facilities Equity Assessment. Watermaster may, upon recommendation of the Pool Committee, institute proceedings for levy and collection of a Facilities Equity Assessment for the purposes and in accordance with the procedures which follow:

(a) Implementing Circumstances. There exist several sources of supplemental water available to Chino Basin, each of which has a differential cost and quantity available. The optimum management of the entire Chino Basin water resource favors the maximum use of the lowest cost supplemental water to balance the supplies of the Basin, in accordance with the Physical Solution. The varying sources of supplemental water include importations from MWD and SBVMWD, importation of surface and ground water supplies from other basins in the immediate vicinity of Chino Basin, and utilization of reclaimed water. In order to fully utilize any of such alternate sources of supply, it will be essential for particular appropriators having access to one or more of such supplies to have invested, or in the future to invest, directly or indirectly, substantial funds in facilities to obtain and deliver such water to an appropriate point of use. To the extent that the use of less expensive alternate sources of supplemental water can be maximized by the inducement of a Facilities Equity Assessment, as herein provided, it is to the long-term benefit of the entire basin that such assessment be authorized and levied by Watermaster.

(b) Study and Report. At the request of the Pool

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Committee, Watermaster shall undertake a survey study of the utilization of alternate supplemental supplies by members of the Appropriative Pool which would not otherwise be utilized and shall prepare a report setting forth the amount of such alternative supplies being currently utilized, the amount of such supplies which could be generated by activity within the pool, and the level of cost required to increase such uses and to optimize the total supplies available to the basin. Said report shall contain an analysis and recommendation for the levy of a necessary Facilities Equity Assessment to accomplish said purpose.

(c) Hearing. If the said report by Watermaster contains a recommendation for imposition of a Facilities Equity Assessment, and the Pool Committee so requests, Watermaster shall notice and hold a hearing not less than 60 days after distribution of a copy of said report to each member of the pool, together with a notice of the hearing date. At such hearing, evidence shall be taken with regard to the necessity and propriety of the levy of a Facilities Equity Assessment and full findings and decision shall be issued by Watermaster.

(d) Operation of Assessment. If Watermaster determines that it is appropriate that a Facilities Equity Assessment be levied in a particular year, the amount of additional supplemental supplies which should be generated by such assessment shall be estimated. The cost of obtaining such supplies, taking into consideration the investment in necessary facilities shall then be determined and spread equitably among the producers within the pool in a manner so that those

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producers not providing such additional lower cost supplemental water, and to whom a financial benefit will result, may bear a proportionate share of said costs, not exceeding said benefit; provided that any producer furnishing such supplemental water shall not thereby have its average cost of water in such year reduced below such producer's average cost of pumping from the Basin. In so doing, Watermaster shall establish a percentage of the total production by each party which may be produced without imposition of a Facilities Equity Assessment. Any member of the pool producing more water than said percentage shall pay such Facilities Equity Assessment on any such excess production. Watermaster is authorized to transmit and pay the proceeds of such Facilities Equity Assessment to those producers who take less than their share of Basin water by reason of furnishing a higher percentage of their requirements through use of supplemental water.

10. Unallocated Safe Yield Water. To the extent that, in any five years, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

(a) Priorities. Such allocation shall be made in the following sequence:

(1) to supplement, in the particular year, water available from Operating Safe Yield to compensate for any reduction in the Safe Yield by reason of recalculation thereof after the tenth year of operation hereunder.

(2) pursuant to conversion claims as defined in Subparagraph (b) hereof.

(3) as a supplement to Operating Safe Yield, without regard to reductions in Safe Yield.

(b) Conversion Claims. The following procedures may be utilized by any appropriator:

(1) Record of Land Use Conversion. Any appropriator who undertakes, directly or indirectly, during any year, to permanently provide water service to lands which during the immediate preceding five (5) consecutive years was devoted to irrigated agriculture may report such change in land use or water service to Watermaster. Watermaster shall thereupon verify such change in water service and shall maintain a record and account for each appropriator of the total acreage involved and the average annual water use during said five-year period.

(2) Establishment of Allocation Percentage. In any year in which unallocated Safe Yield water from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall establish allocable percentages for each appropriator based upon the total of such converted acreage recorded to each such appropriator's account.

(3) Allocation and Notice. Watermaster shall thereafter apply the allocated percentage to the total unallocated Safe Yield water available for special allocation to derive the amount thereof allocable to

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each appropriator; provided that in no event shall the allocation to any appropriator as a result of such conversion claim exceed 50% of the average annual amount of water actually applied to the areas converted by such appropriator prior to such conversion. Any excess water by reason of such limitation on any appropriator's right shall be added to Operating Safe Yield. Notice of such special allocation shall be given to each appropriator and shall be treated for purposes of this Physical Solution as an addition to such appropriator's share of the Operating Safe Yield for the particular year only.

(4) Administrative Costs. Any costs of Watermaster attributable to administration of such special allocations and conversion claims shall be assessed against appropriators participating in such reporting.

11. In Lieu Procedures. There are, or may develop, certain areas within Chino Basin where good management practices dictate that recharge of the basin be accomplished, to the extent practical, by taking surface supplies of supplemental water in lieu of ground water otherwise subject to production as an allocated share of Operating Safe Yield.

(a) Method of Operation. Any appropriator producing water within such designated in lieu area who is willing to abstain for any reason from producing any portion of such producer's share of Operating Safe Yield in any year may offer such unpumped water to Watermaster. In such event, Watermaster shall purchase said water in place, in lieu of spreading replenishment water, which is otherwise required to

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make up for over production. The purchase price for in lieu water shall be the lesser of:

(1) Watermaster's current cost of replenishment water, whether or not replenishment water is currently then obtainable, plus the cost of spreading; or

(2) The cost of supplemental surface supplies to the appropriator, less

a. said appropriator's average cost of ground water production, and

b. the applicable production assessment were the water produced.

Where supplemental surface supplies consist of MWD or SBVMWD supplies, the cost of treated, filtered State water from such source shall be deemed the cost of supplemental surface supplies to the appropriator for purposes of such calculation.

In any given year in which payments may be made pursuant to a Facilities Equity Assessment, as to any given quantity of water the party will be entitled to payment under this section or pursuant to the Facilities Equity Assessment, as the party elects, but not under both.

(b) Designation of In Lieu Areas. The first in lieu area is designated as the "In Lieu Area No. 1" and consists of an area wherein nitrate levels in the ground water generally exceed 45 mg/l, and is shown on Exhibit "J" hereto. Other in lieu areas may be designated by subsequent order of Watermaster upon recommendation or approval by Advisory Committee. Said in lieu areas may be enlarged, reduced or

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eliminated by subsequent orders; provided, however, that designation of In Lieu Areas shall be for a minimum fixed term sufficient to justify necessary capital investment. In Lieu Area No. 1 may be enlarged, reduced or eliminated in the same manner, except that any reduction of its original size or elimination thereof shall require the prior order of Court.

12. Carry-over. Any appropriator who produces less than his assigned share of Operating Safe Yield may carry such unexercised right forward for exercise in subsequent years. The first water produced during any such subsequent year shall be deemed to be an exercise of such carry-over right. In the event the aggregate carry-over by any appropriator exceeds its share of Operating Safe Yield, such appropriator shall, as a condition of preserving such surplus carry-over, execute a storage agreement with Watermaster. Such appropriator shall have the option to pay the gross assessment applicable to such carry-over in the year in which it accrued.

13. Assignment, Transfer and Lease. Appropriative rights, and corresponding shares of Operating Safe Yield, may be assigned or may be leased or licensed to another appropriator for exercise in a given year. Any transfer, lease or license shall be ineffective until written notice thereof is furnished to and approved as to form by Watermaster, in compliance with applicable Watermaster rules. Watermaster shall not approve transfer, lease or license of a right for exercise in an area or under conditions where such production would be contrary to sound basin management or detrimental to the rights or operations of other producers.

14. Rules. The Pool Committee shall adopt rules for

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administering its program and in amplification of the provisions, but not inconsistent with, this pooling plan.

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EXHIBIT "I"

ENGINEERING APPENDIX

1. Basin Management Parameters. In the process of implementing the physical solution for Chino Basin, Watermaster shall consider the following parameters:

(a) Pumping Patterns. Chino Basin is a common supply for all persons and agencies utilizing its waters. It is an objective in management of the Basin's waters that no producer be deprived of access to said waters by reason of unreasonable pumping patterns, nor by regional or localized recharge of replenishment water, insofar as such result may be practically avoided.

(b) Water Quality. Maintenance and improvement of water quality is a prime consideration and function of management decisions by Watermaster.

(c) Economic Considerations. Financial feasibility, ecnomic impact and the cost and optimum utilization of the Basin's resources and the physical facilities of the parties are objectives and concerns equal in importance to water quantity and quality parameters.

2. Operating Safe Yield. Operating Safe Yield in any year shall consist of the Appropriative Pool's share of Safe Yield of the Basin, plus any controlled overdraft of the Basin which Watermaster may authorize. In adopting the Operating Safe Yield for any year, Watermaster shall be limited as follows:

(a) Accumulated Overdraft. During the operation of this Judgment and Physical Solution, the overdraft accumulated from and after the effective date of the Physical

Solution and resulting from an excess of Operating Safe Yield over Safe Yield shall not exceed 200,000 acre feet.

(b) Quantitative Limits. In no event shall Operating Safe Yield in any year be less than the Appropriative Pool's share of Safe Yield, nor shall it exceed such share of Safe Yield by more than 10,000 acre feet. The initial Operating Safe Yield is hereby set at 54,834 acre feet per year. Operating Safe Yield shall not be changed upon less than five (5) years' notice by Watermaster.

Nothing contained in this paragraph shall be deemed to authorize, directly or indirectly, any modification of the allocation of shares in Safe Yield to the overlying pools, as set forth in Paragraph 44 of the Judgment.

3. Ground Water Storage Agreements. Any agreements authorized by Watermaster for storage of supplemental water in the available ground water storage capacity of Chino Basin shall include, but not be limited to:

(a) The quantities and term of the storage right.

(b) A statement of the priority or relation of said right, as against overlying or Safe Yield uses, and other storage rights.

(c) The procedure for establishing delivery rates, schedules and procedures which may include

[1] spreading or injection, or

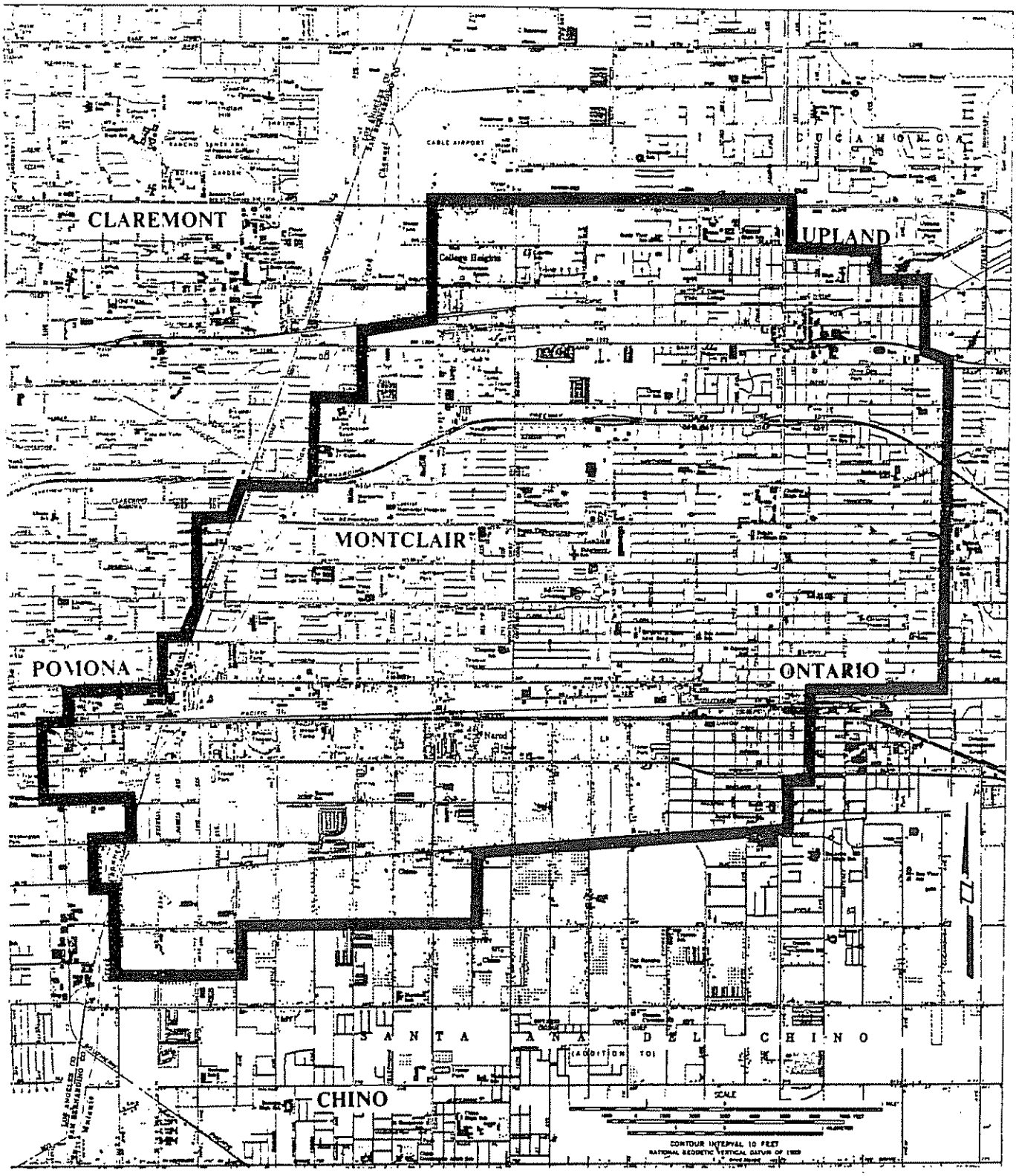
[2] in lieu deliveries of supplemental water for direct use.

(d) The procedures for calculation of losses and annual accounting for water in storage by Watermaster.

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(e) The procedures for establishment and administration of withdrawal schedules, locations and methods.

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CHINO BASIN

IN LIEU AREA NO. 1

EXHIBIT "J"

LEGAL DESCRIPTION

OF CHINO BASIN

Preamble

All of the townships and ranges referred to in the following legal description are the San Bernardino Base and Meridian. Certain designated sections are implied as the System of Government Surveys may be extended where not established. Said sections are identified as follows:

Section 20, T1N, R8W is extended across Rancho Cucamonga;

Section 36, T1N, R8W is extended across the City of Upland;

Sections 2, 3, and 4, T1S, R7W are extended across Rancho Cucamonga;

Section 10, T1S, R8W is extended across the City of Claremont;

Sections 19, 20, 21, 30, 31 and 32, T1S, R8W are extended across the City of Pomona;

Sections 4, 5, and 28, T2S, R8W are extended across Rancho Santa Ana Del Chino;

Sections 15 and 16, T3S, R7W are extended across Rancho La Sierra; and

Sections 17 and 20, T3S, R7W are extended across Rancho El Rincon.

Description

Chino Basin is included within portions of the Counties of San Bernardino, Riverside and Los Angeles, State of California, bounded by a continuous line described as follows:

BEGINNING at the Southwest corner of Lot 241 as shown on Map of Ontario Colony Lands, recorded in Map Book 11, page 6, Office of the County Recorder of San Bernardino County, said corner being the Point of Beginning;

1. Thence Southeasterly to the Southeast corner

of Lot 419 of said Ontario Colony Lands;

2. Thence Southeasterly to a point 1300 feet North of the South line and 1300 feet East of the West line of Section 4, T1S, R7W;

3. Thence Easterly to a point on the East line of Section 4, 1800 feet North of the Southeast corner of said Section 4;

4. Thence Easterly to the Southeast corner of the Southwest quarter of the Northeast quarter of Section 3, T1S, R7W;

5. Thence Northeasterly to a point on the North line of Section 2, T1S, R7W, 1400 feet East of the West line of said Section 2;

6. Thence Northeasterly to the Southwest corner of Section 18, T1N, R6W;

7. Thence Northerly to the Northwest corner of said Section 18;

8. Thence Easterly to the Northeast corner of said Section 18;

9. Thence Northerly to the Northwest corner of the Southwest quarter of Section 8, T1N, R6W;

10. Thence Easterly to the Northeast corner of said Southwest quarter of said Section 8;

11. Thence Southerly to the Southeast corner of said Southwest quarter of said Section 8;

12. Thence Easterly to the Northeast corner of Section 17, T1N, R6W;

13. Thence Easterly to the Northeast corner of Section 16, T1N, R6W;

14. Thence Southeasterly to the Northwest corner of the Southeast quarter of Section 15, T1N, R6W;

15. Thence Easterly to the Northeast corner of said Southeast quarter of said Section 15;

16. Thence Southeasterly to the Northwest corner of the Northeast quarter of Section 23, T1N, R6W;

17. Thence Southeasterly to the Northwest corner

of Section 25, T1N, R6W;

18. Thence Southeasterly to the Northwest corner of the Northeast quarter of Section 31, T1N, R5W;

19. Thence Southeasterly to the Northeast corner of the Northwest quarter of Section 5, T1S, R5W;

20. Thence Southeasterly to the Southeast corner of Section 4, T1S, R5W;

21. Thence Southeasterly to the Southeast corner of the Southwest quarter of Section 11, T1S, R5W;

22. Thence Southwesterly to the Southwest corner of Section 14, T1S, R5W;

23. Thence Southwest to the Southwest corner of Section 22, T1S, R5W;

24. Thence Southwesterly to the Southwest corner of the Northeast quarter of Section 6, T2S, R5W;

25. Thence Southeasterly to the Northeast corner of Section 18 T2S, R5W;

26. Thence Southwesterly to the Southwest corner of the Southeast quarter of Section 13, T2S, R6W;

27. Thence Southwesterly to the Southwest corner of the Northeast quarter of Section 26, T2S, R6W;

28. Thence Westerly to the Southwest corner of the Northwest quarter of said Section 26;

29. Thence Northerly to the Northwest corner of said Section 26;

30. Thence Westerly to the Southwest corner of Section 21, T2S, R6w:

31. Thence Southerly to the Southeast corner of Section 29, T2S, R6W;

32. Thence Westerly to the Southeast corner of Section 30, T2S, R6W;

33. Thence Southwesterly to the Southwest corner of Section 36, T 2 S, R 7 W;

34. Thence Southwesterly to the Southeast corner

of Section 3, T3S, R7W;

35. Thence Southwesterly to the Southwest corner of the Northeast quarter of Section 10, T3S, R7W;

36. Thence Southerly to the Northeast corner of the Northwest quarter of Section 15, T3S, R7W;

37. Thence Southwesterly to the Southeast corner of the Northeast quarter of Section 16, T3S, R7W;

38. Thence Southwesterly to the Southwest corner of said Section 16;

39. Thence Southwesterly to the Southwest corner of the Northeast quarter of Section 20, T3S, R7W;

40. Thence Westerly to the Southwest corner of the Northwest quarter of said Section 20;

41. Thence Northerly to the Northwest corner of Section 17, T3S, R7W;

42. Thence Westerly to the Southwest corner of Section 7, T3S, R7W;

43. Thence Northerly to the Southwest corner of Section 6, T3S, R7W;

44. Thence Westerly to the Southwest corner of Section 1, T3S, R8W;

45. Thence Northerly to the Southeast corner of Section 35, T2S, R8W;

46. Thence Northwesterly to the Northwest corner of said Section 35;

47. Thence Northerly to the Southeast corner of Lot 33, as shown on Map of Tract 3193, recorded in Map Book 43, pages 46 and 47, Office of the County Recorder of San Bernardino County;

48. Thence Westerly to the Northwest corner of the Southwest quarter of Section 28, T2S, R8W;

49. Thence Northerly to the Southwest corner of Section 4, T2S, R8W;

50. Thence Westerly to the Southwest corner of Section 5, T2S, R8W;

51. Thence Northerly to the Southwest corner of Section 32, T1S, R8W;

52. Thence Westerly to the Southwest corner of Section 31, T1S, R8W;

53. Thence Northerly to the Southwest corner of Section 30, T1S, R8W;

54. Thence Northeasterly to the Southwest corner of Section 20, T1S, R8W;

55. Thence Northerly to the Northwest corner of the Southwest quarter of the Southwest quarter of said Section 20;

56. Thence Northwesterly to the Northeast corner of the Southeast quarter of the Southeast quarter of the Northwest quarter of Section 19, T1S, R8W;

57. Thence Easterly to the Northwest corner of Section 21, T1S, R8W;

58. Thence Northeasterly to the Southeast corner of the Southwest quarter of the Southwest quarter of Section 10, T1S, R8W;

59. Thence Northeasterly to the Southwest corner of Section 2, T1S, R8W;

60. Thence Northeasterly to the Southeast corner of the Northwest quarter of the Northwest quarter of Section 1, T1S, R8W;

61. Thence Northerly to the Northeast corner of the Northwest quarter of the Northeast quarter of Section 36, T1N, R8W;

62. Thence Northerly to the Southeast corner of Section 24, T1N, R8W;

63. Thence Northeasterly to the Southeast corner of the Northwest quarter of the Northwest quarter of Section 20, T1N, R7W; and

64. Thence Southerly to the Point of Beginning.

Sections Included

Said perimeter description includes all or portions of the following Townships, Ranges and Sections of San Bernardino Base and Meridian:

T1N, R5W - Sections: 30, 31 and 32

T1N, R6W - Sections: 8, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36

T1N, R7W - Sections: 19, 20, 24, 25, 26, 29, 30, 31, 32, 35 and 36

T1N, R8W - Sections: 25 and 36

T1S, R5W - Sections: 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 28, 29, 30, 31 and 32.

T1S, R6W - Sections: 1 through 36, inclusive

T1S, R7W - Sections: 1 through 36, inclusive

T1S, R8W - Sections: 1, 2, 10, 11, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36

T2S, R5W - Sections: 6, 7 and 18

T2S, R6W - Sections: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 29, 30 and 31

T2S, R7W - Sections: 1 through 36, inclusive

T2S, R8W - Sections: 1, 2, 3, 4, 5, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 35 and 36

T3S, R7W - Sections: 2, 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17 and 20

T3S, R8W - Section: 1.



THE DOCUMENT TO WHICH THIS CERTIFICATION IS ATTACHED IS A FULL, TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE AND OF RECORD IN MY OFFICE.

ATTEST OCT 2 9 2002

Clerk of the Superior Court of the State of California, in and for the County of San Bernardino

By _____ Deputy

Terry Wittenborn

92 pages

Appendix E Baseline Feeder Agreement

RESTATED AND AMENDED AGREEMENT FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF THE NEW BASELINE FEEDER

This Restated and Amended Agreement for the Construction, Operation and Maintenance of the New Baseline Feeder ("**Restated Agreement**") is entered into and effective this 1st day of May, 2012 by and among the City of Rialto ("**Rialto**"), Riverside Highland Water Company ("**RHWC**"), San Bernardino Valley Municipal Water District ("**Valley District**") and West Valley Water District ("**West Valley**"). Rialto, RHWC, Valley District and West Valley are each sometimes referred to as a "**Party**" and are collectively sometimes referred to as the "**Parties.**"

Recitals

A. On December 7, 1989, Valley District and West Valley entered into an agreement entitled "Contract Between the San Bernardino Valley Municipal Water District and West San Bernardino County Water District for a Water Supply from Facilities to be Constructed Known as the 'Baseline Feeder.'" A true and correct copy of this agreement is attached hereto as Exhibit "A" and incorporated herein by reference.

B. On December 11, 1989, Valley District and Rialto entered into an agreement entitled "Contract Between the San Bernardino Valley Municipal Water District and the City of Rialto for a Water Supply from Facilities to be Constructed Known as the 'Baseline Feeder.'" A true and correct copy of this agreement is attached hereto as Exhibit "B" and incorporated herein by reference.

C. On January 18, 1990, Valley District and RHWC entered into an agreement entitled "Contract Between the San Bernardino Valley Municipal Water District and Riverside Highland Water Company for a Water Supply from Facilities to be Constructed Known as the 'Baseline Feeder.'" A true and correct copy of this agreement is attached hereto as Exhibit "C" and incorporated herein by reference.

D. In October 1990, Rialto, Valley District and West Valley entered into an agreement entitled "Agreement Among the San Bernardino Valley Municipal Water District, the City of Rialto and the West San Bernardino County Water District for the Construction, Operation, and Maintenance of Phase 3 and 4 of the Baseline Feeder." A true and correct copy of this agreement is attached hereto as Exhibit "D" and incorporated herein by reference.

E. The Parties constructed the Baseline Feeder Pipeline and appurtenant other facilities (the "**Baseline Feeder**") and have operated the Baseline Feeder for approximately the past twenty years for the benefit of their respective ratepayers.

SBVMWD LEGAL
DOCUMENT 2355

F. In recent years, however, it has become clear to the Parties that the Baseline Feeder needs substantial additional investment in order to continue to provide a reliable source of municipal supplies for Rialto, West Valley and potentially RHWC. As a result, the Parties are constructing the Baseline Feeder Well Replacement and Improvement Project (the "**Project**"), which consists of two replacement wells, a reservoir tank, a booster station, the rehabilitation and re-equipping of the Perris Street Well, and other needed appurtenances in order for Valley District to continue conveying water from the San Bernardino Basin Area (the "**SBBA**") to users within the respective service areas of Rialto and West Valley, and potentially RHWC. More detailed specifications for the Project are shown in Exhibit "E". The combination of the Baseline Feeder and the Project is referred to in this Restated Agreement as the "**New Baseline Feeder.**"

G. Valley District has issued bonds to facilitate the design and construction of the Project. A copy of Valley District's filing with the Internal Revenue Service documenting the issuance of bonds is attached as Exhibit "F".

H. The Parties are entering into this Restated Agreement to accomplish several objectives. First, Rialto, RHWC and West Valley seek to obtain an assurance from Valley District that the water supplies required by their respective retail customers will be available to them, on the terms and conditions specified in this Restated Agreement. Second, Rialto, RHWC and West Valley seek to obtain an assurance from Valley District that Valley District will construct, operate and maintain the New Baseline Feeder on the terms and conditions specified in this Restated Agreement. Third, Valley District seeks to obtain assurances from Rialto, RHWC and West Valley that they will pay for the cost of constructing, operating and maintaining the New Baseline Feeder, which includes paying the costs of operating, maintaining, improving and repairing the Baseline Feeder and destroying the 9th Street Well, as specified in this Restated Agreement. Fourth, all Parties wish to enter into an agreement that, to the extent feasible, avoids future disagreements over the operation and ownership of the New Baseline Feeder.

I. The Parties wish to memorialize their agreements by entering into this Restated Agreement.

Agreements

The Parties agree as follows:

1. *Term of Agreement.*

a. *Initial Term.* This Restated Agreement shall extend for a term of thirty (30) years, or until the debt incurred by Valley District in financing the Project is paid in full, including any interest or other charges, whichever occurs later ("**Initial Term**").

b. *Extensions.* This Agreement shall renew automatically for successive terms of ten (10) years unless all of the Parties agree to terminate this Restated Agreement at least one hundred twenty (120) days prior to the end of the then current term. Notwithstanding anything to the contrary contained herein, the Parties may agree, at any time after the Initial Term, to: (i) terminate this Restated Agreement and divide the New Baseline Feeder among the Parties in proportion to each Party's share of the capital costs of those facilities, or (ii) terminate this Restated Agreement and transfer all remaining responsibilities and obligations under this Restated Agreement to a joint exercise of powers authority formed under the provisions of Government Code sections 6500 *et seq.* Notwithstanding a termination of this Restated Agreement and/or the termination of the Assignment Agreement referenced in paragraph 2.c.ii. below, Valley District shall have the continuing obligation to deliver water to the other Parties as provided in this Restated Agreement on the terms and conditions set forth herein.

2. *Construction, Operation and Maintenance of the Project*

a. *Lease by West Valley.* The Parties acknowledge that West Valley holds title in fee simple to the land on which the two replacement wells and other associated appurtenances are being constructed. As a condition precedent to this Restated Agreement becoming effective, Valley District has entered into a lease with West Valley by which West Valley leases the land in question to Valley District, or its successors or assignees, for a period that is identical to the term of this Restated Agreement. An executed copy of the lease agreement between West Valley and Valley District is attached hereto as Exhibit "G".

b. *Construction.* Valley District shall construct the Project in a timely manner in accordance with the plans and specifications attached hereto as Exhibit "E". The Parties anticipate that the Project shall be completed by June 30, 2012. Valley District shall provide monthly updates on changes to the plans, specifications, and schedules. If, at any time during the construction, Valley District projects that the total changes for construction of the Project will exceed the contracted amount by 5% or more, Valley District shall obtain the prior consent of the Parties. Valley District shall not be liable for any delays or additional costs in constructing the

Project, save for the negligence, intentional acts and willful misconduct of Valley District and its employees, agents and contractors.

c. *Operation and Maintenance.* Upon completion of the Project, Valley District shall be solely responsible for the operation and maintenance of the Project.

i. Absent an assignment pursuant to subparagraph ii below, Valley District shall operate and maintain the Project so that all water delivered to the other Parties complies with public health standards established by the State of California for domestic use.

ii. Valley District may assign its responsibility to operate and maintain the Project to any public agency certified by the California Department of Public Health or its successor to provide domestic water supplies. As of the effective date of this Agreement, Valley District intends to assign its responsibility under this subparagraph 2.c.ii to West Valley, but nothing in this Agreement shall be construed to limit Valley District's discretion to assign its responsibilities under this subparagraph 2.c.ii to an agency other than West Valley or not to assign its responsibilities to any other agency.

(1) Any such assignment shall be in writing and shall oblige the assignee to operate the Project so as to meet the delivery schedules established by means of this Restated Agreement.

(2) Any such assignment shall be made pursuant to the form assignment and assumption agreement attached hereto as Exhibit "H", and specifically, shall provide that the assignee shall, to the extent permitted by California law, indemnify, defend and hold Valley District harmless, for the operation and maintenance of the Project.

(3) Any such assignment shall not become effective until it is approved in writing by the Parties to this Restated Agreement. The assignment shall provide that the assignee may not assign its obligations to a third party without the prior written consent of the Parties to this Restated Agreement.

(4) The Parties hereby pre-approve Valley District's assignment of its responsibilities to operate and maintain the Project to West Valley by means of an assignment and assumption agreement substantially in the form attached hereto as Exhibit "H".

(5) In the event that any Party believes that West Valley has failed to perform its obligations under the assignment referred to in the immediately preceding subparagraphs, that Party may invoke the dispute resolution provisions of paragraph 10(b) to request Valley District to revoke the assignment or take such other action as may be appropriate.

d. *Ownership of Project Facilities.* Valley District shall own, in fee simple, all facilities constructed as part of the Project until the each of the other Parties completes payment of the capital cost of those facilities. Upon a Party's making complete payment of its share of the capital costs (and interest thereupon) of the Project facilities to Valley District, the Party may request that Valley District transfer the Party's proportional ownership of Project facilities to the Party and Valley District shall transfer such proportional ownership to the Party regardless of whether other Parties have completed making their respective capital payments.

e. *Costs.* All Parties agree that the construction, operation and maintenance of the Project will occur at no cost to Valley District. Valley District shall finance the construction of the Project but shall be entitled to recover all of its costs (including, but not limited to, financing costs, experts and attorneys' fees, and direct expenditures) from the other Parties as specified in this Restated Agreement, save for costs directly caused by the negligence, intentional acts and willful misconduct of Valley District and its employees, agents and contractors.

3. *Deliveries of Water*

Valley District shall deliver water to the other Parties from the Project and the other Parties shall take delivery of such water on the terms and conditions specified in this Restated Agreement.

a. *System Capacity.* The Parties understand and acknowledge that the current allowed maximum delivery from the Project is 7,500 acre-feet/year pursuant to the *"Agreement to Develop and Adopt an Institutional Controls Groundwater Management Program" as amended.* Valley District will use reasonable efforts to meet the other Parties' delivery requests on a real-time basis. However, the Parties also understand and acknowledge that deliveries may be reduced at any time due to drought, equipment failure, or other causes. Valley District shall not be liable for any reductions in deliveries, save for reductions in deliveries directly caused by the negligence, intentional acts and willful misconduct of Valley District and its employees, agents and contractors.

b. *Maximum Delivery Quantities.* RHWC understands and acknowledges that water it may obtain under the provisions of this Agreement is a stand-by source and that RHWC does not anticipate taking deliveries on a regular basis. Notwithstanding the prior sentence, RHWC shall be entitled to obtain a maximum delivery of 900 acre-feet/year, West Valley shall be entitled to obtain a maximum delivery of 2/3 of the remaining available water, or 4,400 acre-feet if RHWC takes delivery of 900 acre-feet, up to 5,000 acre-feet if RHWC takes no delivery; and Rialto shall be entitled to obtain a maximum delivery of 1/3 of the remaining available water, or 2,200 acre-feet if RHWC takes delivery of 900 acre-feet, up to 2,500 acre-feet if RHWC takes no delivery.

c. *Maximum Delivery Flow Rates for RHWC.* The maximum delivery flow rate for RHWC is limited to 1,000 gallons per minute.

d. *Limits on Deliveries Outside the Boundaries of Valley District.*

i. *Rialto and West Valley.* Rialto and West Valley agree that all water delivered to them through the New Baseline Feeder shall be used within the boundaries of Valley District. Rialto and West Valley further agree that neither water delivered through the New Baseline Feeder nor any other water available to Rialto or West Valley that may be surplus to its needs as a result of the supply available from the New Baseline Feeder, shall be delivered or exchanged in any way for use outside the boundaries of Valley District.

ii. *RHWC.* RHWC agrees that all water delivered to RHWC pursuant to the terms of this Restated Agreement shall be deemed to be an "extraction" by RHWC from the SBBA under the terms of the so-called "*Western* Judgment" (*Western Municipal Water District et al. v. East San Bernardino County Water District et al.*, Riverside County Superior Court Case No. 78426). Any deliveries of water to RHWC shall be consistent with the *Western* Judgment and nothing in this Restated Agreement shall be construed to modify the provisions of the *Western* Judgment in any way. If there is any inconsistency between the provisions of the *Western* Judgment and this Restated Agreement, the terms of the *Western* Judgment shall control.

e. *Delivery Schedule.* The Parties shall meet each December during the term of this Restated Agreement, or such other time as may be mutually agreed upon, to schedule their respective anticipated monthly demands for the following calendar year.

i. Valley District shall prepare a monthly report detailing deliveries to the Parties during the previous month and the calendar year-to-date. Valley District shall email this report to the other Parties no later than 15 days after the receipt of delivery data for the prior month from the other Parties.

ii. West Valley or Rialto may take deliveries greater than their respective annual allocations, *provided however*, that the other Parties receiving deliveries from the Project in that year agree to reduce their respective allocated quantities by an equivalent quantity, and *provided further* that under no circumstances shall the total deliveries in a calendar year from the Project exceed 7,500 acre-feet.

iii. In the event that RHWC determines, after the annual delivery schedule has been established, that it requires additional water (but not in excess of the 900 afy), then Valley District shall give priority to deliveries to RHWC over deliveries to West Valley or Rialto. Any reductions in deliveries to West Valley or Rialto shall be in proportion to their respective remaining deliveries during that year.

iv. Any modification to the annual delivery schedule agreed upon at the December meeting must be provided to Valley District at least one month prior to the month in which there is a change to the previously approved delivery schedule, save in the case of drought, disruption of State Water Project supplies, or emergency, during which each of the other Parties will provide as much notice to Valley District as is possible under the circumstances.

v. Notwithstanding actual deliveries under the terms of this Restated Agreement, RHWC, Rialto and West Valley shall at all times be subject to the payment terms set forth in paragraph 4 below.

f. *Water Supplies from the City of San Bernardino.* Valley District, acting on behalf of the other Parties to this Restated Agreement, will attempt to negotiate a contract with City of San Bernardino Municipal Water Department ("**SBMWD**") for a long-term contract for delivery of water from the SBMWD's Encanto Booster Station in the event of emergency or as additional supplemental water supply to the Project. Nothing in the preceding sentence shall require Valley District to successfully negotiate an agreement with SBMWD. The Parties understand and acknowledge that such an agreement may result in a standby/availability charge from SBMWD that would be passed through to Parties receiving water from SBMWD.

g. *Emergency Water Supplies.* Nothing in this Restated Agreement shall be construed to prevent any Party from securing emergency or supplemental water supplies from any other water purveyor, *provided that* such emergency or supplemental water supplies may only be used within the available capacity of the New Baseline Feeder.

h. *System Hydraulics.* Valley District, in cooperation with the other Parties to this Restated Agreement, will evaluate the New Baseline Feeder system hydraulics needed to allow the other Parties to be able to receive the water deliveries contemplated by this Restated Agreement and, not later than December 31, 2013, construct any improvements needed for such deliveries to occur.

i. The cost of evaluating the New Baseline Feeder hydraulics, determining potential improvements that would allow the Parties to receive the water deliveries contemplated in this Restated Agreement, and implementing such improvements shall be treated as capital costs for the Project.

ii. Valley District estimated the cost of such improvements at $500,000 and shared that estimate with the other Parties to this Agreement. All Parties believe that the estimate is reasonable but recognize that the actual cost of such improvements may be greater or less than the estimate, depending upon a number of factors.

iii. Valley District has financed such costs through the issuance of bonds and shall be reimbursed for such capital expenditures as provided in paragraph 4 below, provided that if Valley District anticipates that the cost of these improvements will exceed $550,000, Valley District shall promptly consult with the other Parties to this Agreement and shall obtain their consent before proceeding further.

i. *Temporary Interruptions of Deliveries.* Valley District may temporarily discontinue or reduce the delivery of water to the Parties for the purposes of necessary investigation, inspection, maintenance, repair, or replacement of any facilities necessary for the delivery of water to each Party. Valley District shall provide each Party with advance notice of such interruptions as far in advance as possible, except in cases of emergency, in which case advance notice need not be given. Whenever possible, Valley District shall performed scheduled maintenance, repair, or replacement of any facilities that may cause temporarily discontinue or reduce the delivery of water to the Parties between November and April and shall attempt to provide the Parties with 60-90 days' advance notice of such maintenance, repair or replacement. The interruption of service, however, shall not excuse nonpayment of amounts owed to Valley District under paragraph 4 below.

4. *Payments*

a. *Capital Payments by RHWC.* RHWC shall pay Valley District the following amounts:

i. An annual minimum stand-by payment of $12,000, payable in equal monthly installments, to defray the capital costs of the Project.

ii. If RHWC decides to request water delivered through the Project, RHWC will pay its proportionate share of the capital costs of the Project, with a minimum annual payment of $12,000.

b. *Capital Payments by Rialto and West Valley.* Rialto and West Valley shall pay Valley District the following amounts:

i. After subtracting RHWC's annual capital payment, as defined in paragraph 4.a. above, from the total annual capital repayment due to Valley District, West Valley shall pay Valley District 2/3 of the remaining total annual capital repayment and Rialto shall pay Valley District 1/3 of the remaining total annual capital repayment in monthly installments. These payments are to be made regardless of the quantity of water delivered to Rialto or West Valley, notwithstanding droughts, equipment failure, or any other conditions.

ii. If conditions or deliveries change during the course of a calendar year, Valley District shall calculate the over/undercharge and Rialto and/or West Valley shall pay those over/undercharges during the following calendar year, without interest. Sample procedures for these calculations are shown in Exhibit "I" and an example of the capital payment schedule is shown in Exhibit "J".

c. *Additional Payment by Rialto.* Rialto shall make a monthly payment to Valley District as consideration for Valley District's amortizing the outstanding balance for past Baseline Feeder charges. The annual charge is shown in Exhibit "J".

d. *Payment for State Water Project Water Recharge.* RHWC, Rialto and West Valley shall each make a monthly payment to Valley District for Valley District to recharge State Water Project Water in the Sweetwater, Devil Canyon, Badger, and Waterman basins. Each Party's payment shall be equal to the product of: (i) 25%, (ii) the quantity of water in acre-feet delivered to the Party during the preceding calendar year, and (iii) the unit cost of recharge water in acre-feet as determined by Valley District as part of its Cooperative Recharge Program or any successor program. The current unit cost of recharge water is $118/af. Each

Party shall pay, on a monthly basis, its share of costs for the State Water Project Water Recharge.

e. *Payments to Defray Operation and Maintenance Costs.* Each Party shall pay, on a monthly basis, its share of the costs incurred by Valley District to operate and maintain the Project. Such costs include, but are not limited to, actual pumping, maintenance and replacement costs, plus actual treatment costs, if any, including any treatment costs associated with the removal of contaminants to levels that comply with health-based standards issued by the California Department of Public Health and/or other state or federal regulatory agencies.

i. Valley District shall, not later than each November 1, tabulate its total costs for operating and maintaining the Project during the then-current calendar year (projected for a 12-month period) and provide its estimate of costs for the then-current and subsequent calendar years to the other Parties. Valley District may include in such tabulation of costs, but is not limited to, experts and attorneys' fees, and direct expenditures. Valley District may not charge a premium or general/administrative fee for operating or maintaining the Project.

ii. Each Party's share of the costs of operating and maintaining the Project shall be the product of: (i) unit water cost for the year, which is the total operation and maintenance costs incurred by Valley District divided by the amount of water delivered, and (ii) the quantity of water delivered to the Party.

iii. Initially, the Parties estimate that the unit cost of water will be $90/acre-foot.

iv. Valley District will adjust unit costs based on the actual operation, maintenance and State Water Project Water recharge costs for each calendar year. Valley District will invoice RHWC, Rialto and West Valley for any over/undercharges by spreading those charges over the next 12 monthly bills as a "true up." An example of a "true up" calculation is shown as Exhibit "I".

v. If, at any time during a calendar year, Valley District projects that the total annual cost for operation and maintenance of the Project during the year will exceed the budgeted amount by 10% or more, the Parties shall promptly meet to determine whether to: (i) increase the budget, (ii) modify the expense line items to keep actual expenses within 10% of the budgeted amount, or (iii) take any other action(s) that may be appropriate under the circumstances. All Parties must consent to any action taken under this subparagraph v.

f. *Payments Obligatory.* Each Party shall make all payments required by this Restated Agreement as they become due, notwithstanding any individual default by its customers or users, any dispute over charges, or any change in water deliveries, capital costs, operation and maintenance costs or otherwise.

5. *Provisions Applying to the Ninth Street Well and the Baseline Feeder*

a. *Ownership of Capacity.* The Parties agree to the following ownership of capacity by percentages for each phase of the Baseline Feeder, shown on Exhibit "K", and the 9th St. Well, which are based on the proportionate share of capital costs paid by each Party.

Agency	9th St Well & Surge Chamber	BLF Wasteline	BLF Phase I	BLF Phase II	BLF Phase III	BLF Phase IV
Valley District	18.5%	18.5%	18.5%	18.5%	33.3%	33.3%
West Valley	48%	48%	48%	48%	33.3%	33.3%
Rialto	24%	24%	24%	24%	33.3%	33.3%
RHWC	9.5%	9.5%	9.5%	9.5%	0%	0%

b. *Relation to Prior Agreement.* Valley District, West Valley and Rialto agree that this Restated Agreement supplements the "Agreement among the San Bernardino Valley Municipal Water District, the City of Rialto, and West San Bernardino County Water District for the Construction, Operation, and Maintenance of Phase 3 and 4 of the Baseline Feeder" executed in October 1990. To the extent that the terms of this Restated Agreement are inconsistent with the terms of the aforementioned agreement, the terms of this Restated Agreement shall control.

c. *Responsibility for Works.* Valley District shall be responsible for the operation, maintenance, improvements, and repairs of the 9th St Well Site (including the surge chamber) and the Baseline Feeder Phase I, II, and wasteline pipeline. West Valley shall be responsible for the operation, maintenance, improvements, and repairs of the Baseline Feeder Phase III and IV pipeline.

d. *Destruction of the Ninth Street Well.* The 9th St. Well equipment became inoperable in August 2005 due to deteriorated well casing and has been destroyed. The Parties agree to allocate the costs of well destruction in accordance with the proportionate share of ownership for the well as shown in the table above.

e. *Annual Budget.* Valley District and West Valley shall annually prepare a budget for the operation, maintenance, improvements and repairs of the works for which they are responsible, as described in paragraph 5.c. above during the subsequent calendar year and shall present that budget to the other Parties for review and approval no later than each December 1.

i. The budget will estimate the work required during the subsequent year, but Valley District and West Valley, in their respective reasonable discretion, may adjust the work to be performed as be required by good engineering practice.

ii. The budget shall allocate the costs of the work to be performed in proportion to the Parties' ownership shares of the various facilities as shown in the table above.

iii. If, at any time during a calendar year, Valley District or West Valley project that the total annual cost for operation and maintenance during the year will exceed the budgeted amount by 10% or more, the Parties shall promptly meet to determine whether to: (i) increase the budget, (ii) modify the expense line items to keep actual expenses within 10% of the budgeted amount, or (iii) take any other action(s) that may be appropriate under the circumstances. All Parties must consent to any action taken under this subparagraph iii.

iv. At the conclusion of each calendar year, Valley District and West Valley shall retain and credit for the next year any payments in excess of a Party's share of the actual work performed or invoice a Party for its underpayment for actual work performed.

v. All Parties shall pay all invoices issued by Valley District or West Valley within 30 days of receipt.

f. *Advance Notice of Work.* Any planned work to operate, maintain, improve or repair these facilities shall be coordinated with all Parties as far in advance as reasonably feasible, except in cases of emergency, in which case advance notice need not be given. Whenever possible, Valley District and West Valley shall performed scheduled maintenance, repair, or replacement of any facilities that may cause temporarily discontinue or reduce the delivery of water to the Parties between November and April and shall attempt to provide the Parties with 60-90 days' advance notice of such maintenance, repair or replacement. Valley District and West Valley may, in their sole discretion, perform required work with their own forces, may contract for such work with other Parties or other public agencies, or may contract for such work with licensed contractors. The

interruption of service, however, shall not excuse nonpayment of amounts owed to either Valley District or West Valley.

6. *Use of Another Party's Capacity.* Each Party may use capacity owned by another Party, provided: (i) such capacity is not being used by the Party owning the capacity, (ii) there is a written agreement between the Parties involved for the use of such capacity, (iii) the Party using another Party's capacity agrees to pay the full cost (capital and operations and maintenance) associated with that capacity, and (iv) the agreement is also approved by the other Parties to this Restated Agreement. A Party may also lease its unused capacity to a non-Party on the terms described in the immediately preceding sentence, *provided however* that all Parties shall have a right of first refusal to lease such unused capacity.

7. *Additional Facilities.*

   a. *Good Faith Negotiations.* The Parties recognize that, from time to time, one or more Parties may decide to construct additional facilities, pipeline, wells, and/or booster stations that increase the capacity of the New Baseline Feeder, improve its performance, provide additional flexibility, or otherwise serve the public interest. The Parties agree to negotiate, in good faith, the terms under which additional capacity, terms of operation, and costs and operating criteria for these new facilities are to be provided. The Parties agree, however, that the costs of any new facilities needed to meet increased demand (including but not limited to planning, design, permitting and construction and operation and maintenance) shall be allocated among the Parties proportionally based on the allocation of the additional production.

   b. *Consistency with ICGMP Agreement.* If the Parties determine that it is necessary to expand the New Baseline Feeder in order to meet increased demands in the future, the Parties agree to work collaboratively in accordance with the "*Agreement to Develop and Adopt an Institutional Controls Groundwater Management Program*" as amended, to obtain any necessary approvals from local, state or federal regulatory agencies.

8. *Additional Parties.* The Parties recognize that public agencies that do not currently receive water deliveries from the Baseline Feeder or that will not receive water in the future from the New Baseline Feeder may wish to become Parties to this Restated Agreement. The Parties agree that such non-Parties may become Parties, with the consent of all of the then-current Parties, on the following terms and conditions:

   a. Any new Party must pay a proportional share of the capital cost of the facility(ies) that are needed to deliver water to the new Party, including payment for capital costs incurred by the Parties prior to the date on which the new Party enters into this Restated Agreement.

b. The current Parties to this Restated Agreement must agree that there is unused capacity available for the new Party and/or one or more Parties must agree to assign all or a portion of their current capacity to the new Party.

c. Prior to any such assignment, each current Party shall have a right of first refusal to purchase such unused or potentially assignable capacity from the other Party on the same terms and conditions as the other Party offered the capacity to the new Party.

9. *Indemnification*

a. *Indemnification by Valley District.* Valley District shall indemnify, defend and hold harmless RHWC, Rialto and West Valley, their directors, officers, employees and agents from and against all damages, liabilities, claims, actions, demands, costs and expenses (including, but not limited to, costs of investigations, lawsuits and any other proceedings whether in law or in equity, settlement costs, attorneys' fees and costs), and penalties or violations of any kind, which arise out of, result from, or are related to Valley District's performance of its obligations under this Restated Agreement.

b. *Indemnification by RHWC, Rialto and West Valley.* RHWC, Rialto and West Valley shall each indemnify, defend and hold harmless Valley District, its directors, officers, employees and agents from and against all damages, liabilities, claims, actions, demands, costs and expenses (including, but not limited to, costs of investigations, lawsuits and any other proceedings whether in law or in equity, settlement costs, attorneys' fees and costs), and penalties or violations of any kind, which arise out of, result from, or are related to the performance of RHWC, Rialto and/or West Valley's respective obligations under this Restated Agreement.

c. *Indemnification Procedures*. Any Party that is an indemnified party (the "**Indemnified Party**") that has a claim for indemnification against the other Party (the "**Indemnifying Party**") under this Restated Agreement, shall promptly notify the Indemnifying Party in writing, *provided, however,* that no delay on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party from any obligation unless (and then solely to the extent) the Indemnifying Party is prejudiced. Further, the Indemnified Party shall promptly notify the Indemnifying Party of the existence of any claim, demand, or other matter to which the indemnification obligations would apply, and shall give the Indemnifying Party a reasonable opportunity to defend the same at its own expense and with counsel of its own selection, *provided* that the Indemnified Party shall at all times also have the right to fully participate in the disputed matter at its own expense. If the Indemnifying Party, within a reasonable time after notice from the Indemnified Party, fails to defend a claim, demand or other

matter to which the indemnification obligations would apply, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle (exercising reasonable business judgment), the claim or other matter, on behalf, or for the account, and at the risk, of the Indemnifying Party. If the claim is one that cannot by its nature be defended solely by the Indemnifying Party, then the Indemnified Party shall make available all information and assistance to the Indemnifying Party that the Indemnifying Party may reasonably request.

10. *Administration of Restated Agreement*

a. *Books and Records.* Each Party shall have access to and the right to examine any of the other Party's pertinent books, documents, papers or other records (including, without limitation, records contained on electronic media) relating to the performance of that Party's obligations pursuant to this Restated Agreement. Specifically, RHWC, Rialto and West Valley shall have access to all the accounting records and meter readings taken by Valley District or its contracted operator upon reasonable advance notice to Valley District.

i. *Retention of Records; Preservation of Privilege.* Each Party retain all such books, documents, papers or other records to facilitate such review in accordance with that Party's record retention policy. Access to each Party's books and records shall be during normal business hours only. Nothing in this paragraph shall be construed to operate as a waiver of any applicable privileges.

ii. *Annual Approval of Project Accounting.* No later than each March 1, the Parties shall review and approve the accounting records for project expenditures in the prior year. To facilitate such review and approval, Valley District and West Valley shall provide accounting records for the prior calendar year to the other Parties no later than January 31 of each year.

iii. *Outside Auditors.* Any Party may, at any time and at its sole cost, hire an auditor to examine the accounting for work performed pursuant to this Restated Agreement. The Parties may also agree to retain an independent auditor to review the accounting for work performed pursuant to this Restated Agreement. The costs of such an auditor will be shared proportionally among the Parties based on their respective percentages of the capital cost for the year(s) for which records are examined.

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

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

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

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

iv. *Prior to Claims Under California Tort Claims Act.* The Parties agree that the procedure described in this paragraph 10.b. represents an effort to resolve disputes without the need for a formal claim under the California Tort Claims Act or other applicable law. The period of time for the presentation of a claim by one Party against another shall be tolled for the period from the date on which the Initiating Party(ies) file a written statement until the date upon which the mediator renders a decision.

v. *Reservation of Rights.* Nothing in this paragraph 10.b. shall require a Party to comply with a decision of the mediator and, after the completion of the mediation process described above, each Party shall retain and may exercise at any time all legal and equitable rights and remedies it may have to enforce the terms of this Restated Agreement; provided, that prior to commencing litigation, a Party shall provide at least five calendar days' written notice of its intent to sue to all Parties.

11. *General Provisions.*

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

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

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

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

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

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

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

h. *Successors and Assigns*. This Restated Agreement shall be binding on and inure to the benefit of the successors and assigns of the respective Parties to this Restated Agreement. Save as described in paragraph 2 above, no Party may

assign its interests in or obligations under this Restated Agreement without the written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

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

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

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

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

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

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

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

CITY OF RIALTO

City Manager
City of Rialto
150 S. Palm Ave.
Rialto, CA 92376
(909) 820-2525 (telephone)
(909) 873-2921 (facsimile)

RIVERSIDE HIGHLAND WATER COMPANY

General Manager
Riverside Highland Water Company
12374 Michigan Street
Grand Terrace, CA 92313-5602
(909) 825-4128 (telephone)
(909) 825-1715 (facsimile)

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

General Manager
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408-2725
(909) 387-9200 (telephone)
(909) 387-9247 (facsimile)

WEST VALLEY WATER DISTRICT

General Manager
West Valley Water District
855 W. Base Line Rd.
Rialto, CA 92377
(909) 875-1804 (telephone)
(909) 875-1849 (facsimile)

---- Signatures on the following page ----

CITY OF RIALTO

Grace Vargas
Mayor

Attest:

Barbara McGee
City Clerk

Approved as to form:

Jimmy Gutierrez
City Attorney

RIVERSIDE HIGHLAND WATER COMPANY

William McKeever, President
Board of Directors

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

C. Patrick Milligan
President, Board of Directors

WEST VALLEY WATER DISTRICT

Attest:

Earl Tillman, Jr., President
Board of Directors

Peggy Asche
Secretary of the Board of Directors

CITY OF RIALTO

Grace Vargas
Mayor

Attest:

Barbara McGee
City Clerk

Approved as to form:

Jimmy Gutierrez
City Attorney

RIVERSIDE HIGHLAND WATER COMPANY

William McKeever, President
Board of Directors

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

C. Patrick Milligan
President, Board of Directors

WEST VALLEY WATER DISTRICT

Attest:

Earl Tillman, Jr., President
Board of Directors

Peggy Asche
Secretary of the Board of Directors

CITY OF RIALTO

_____
Grace Vargas
Mayor

Attest:

_____
Barbara McGee
City Clerk

Approved as to form:

_____
Jimmy Gutierrez
City Attorney

RIVERSIDE HIGHLAND WATER COMPANY

_____
William McKeever, President
Board of Directors

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

_____
C. Patrick Milligan
President, Board of Directors

WEST VALLEY WATER DISTRICT

Attest:

_____
Earl Tillman, Jr., President
Board of Directors

_____
Peggy Asche
Secretary of the Board of Directors

CITY OF RIALTO

Grace Vargas
Mayor

Attest:

Barbara McGee
City Clerk

Approved as to form:

Jimmy Gutierrez
City Attorney

RIVERSIDE HIGHLAND WATER COMPANY

William McKeever, President
Board of Directors

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

C. Patrick Milligan
President, Board of Directors

WEST VALLEY WATER DISTRICT

Attest:

Earl Tillman, Jr., President
Board of Directors

Peggy Asche
Secretary of the Board of Directors

EXHIBIT "A"

CONTRACT BETWEEN THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT AND WEST SAN BERNARDINO COUNTY WATER DISTRICT FOR A WATER SUPPLY FROM FACILITIES TO BE CONSTRUCTED KNOWN AS THE "BASELINE FEEDER"

This agreement is made by and between the San Bernardino Valley Municipal Water District, a municipal water district organized and existing under the Municipal Water District Law of 1911, hereinafter "SBVMWD," and West San Bernardino County Water District, a county water district organized and existing under the County Water District Law, hereinafter "West District," on the date written at the end hereof.

RECITALS

The SBVMWD proposes to construct water facilities known as the "Baseline Feeder" consisting of a pipeline and associated facilities to convey water from the southern and central part of the San Bernardino Basin to users on the west side of the SBVMWD. It is anticipated that the SBVMWD will finance the cost of such facilities through arrangements with a lender or lenders. The parties desire to provide assurance through this agreement and related agreements that the additional water supply required by West District will be available to it, and that the cost of the facilities to be constructed pursuant to this agreement will be

amortized by the parties contracting for such supply.

NOW THEREFORE, IT IS AGREED as follows:

1. The SBVMWD shall construct the Baseline Feeder facilities for delivery of water into West District's distribution system as shown on Plate 1. In performing such construction the wells shall be drilled and tested prior to construction of the other facilities. Upon completion of the facilities SBVMWD shall deliver water to West District's system in quantities as required to meet the delivery schedule of West District arranged pursuant to this agreement. Except as otherwise specifically agreed by SBVMWD, the facilities constructed by the SBVMWD shall be its property, and it shall be responsible for their operation, maintenance and replacement.

2. West District shall be entitled to delivery of water from the Baseline Feeder in the flow rates and amounts and upon the schedule attached hereto as Exhibit "A". During the period this agreement is in effect or any extension thereof, SBVMWD shall reserve capacity in the Baseline Feeder facilities to make such deliveries to West District. West District shall periodically submit a schedule of actual deliveries desired so that reasonable operation requirements for such deliveries may be met. The water delivered shall comply with public health standards for domestic use. Deliveries shall be made in accordance with the SBVMWD Rules and Regulations for the Sale and Delivery of Water as they may from time to time be in effect.

3. West District shall pay for its rights to the delivery of water provided herein in accordance with the schedule set forth on Exhibit "B" attached hereto. Failure or refusal to accept delivery of project water to which it is entitled shall in no way relieve it of its obligation to make payments to the SBVMWD as provided for herein. West District shall make such payments as they become due, notwithstanding any individual default by its customers or users, or any change in its requirements.

4. The water made available for delivery hereunder shall be delivered for use only within the boundaries of the SBVMWD, and West District agrees that neither such water nor any other water available to West District which may be surplus to its needs as a result of the supply available from the Baseline Feeder, shall be delivered or exchanged for use outside the SBVMWD.

5. This agreement shall be in effect for a period of 20 years commencing January 1, 1990 and ending December 31, 2009; provided that it shall not terminate until the debt incurred by the SBVMWD for the Baseline Feeder Facilities is paid in full. At any time during the last year (2009) if West District is not then in default under the terms herein, West District may extend this agreement for an additional 10 years by written notice given to SBVMWD. West District shall have options to extend this agreement for two additional 10 year periods, each to be exercisable during the last year to which this agreement has theretofore been extended, if West District is not then in

default.

6. This agreement shall be contingent upon the occurrence of all the following events on or before February 1, 1990.

a. Execution of sufficient purchase agreements with the City of Rialto and other users for the Baseline Feeder project to guarantee the SBVMWD that it will receive payments sufficient to cover the capital cost of the facilities.

b. Execution of an agreement with the City of San Bernardino providing for the right of way for the pipeline.

c. Execution of an agreement with the San Bernardino County Flood Control District providing for the Baseline Feeder to cross San Bernardino County Flood Control District property and facilities.

On or about said date, SBVMWD shall notify West District whether or not such contingencies have occurred. If such contingencies have not occurred, this agreement shall be of no further force and effect; if such contingencies have occurred the parties hereto shall proceed with the fulfillment of the terms hereof.

7. West District shall have access to all the accounting records and meter readings taken by SBVMWD upon reasonable notice to SBVMWD.

8. Neither this Agreement nor any duties or obligations hereunder shall be assigned by West District without the prior written consent of the SBVMWD, and any such assignment without the consent of the SBVMWD shall at its option be void. Subject to the foregoing, this agreement and all of its provisions shall apply to and bind the successors and assigns of the parties.

9. Each party to this Agreement agrees to execute and deliver all documents and perform all further acts that may be reasonably necessary to carry out the provisions of this Agreement.

10. This Agreement may be amended in writing by unanimous action of the Parties.

11. If a dispute arises as to the interpretation or implementation of any provision of this Agreement, the issue or issues in dispute or matter requiring action shall be submitted to binding arbitration. For such purposes, an arbitrator shall be selected by agreement of the Parties. The agreed-upon arbitrator shall proceed to arbitrate the matter in accordance with the provisions of Title 9, Part 3, of the California Code of Civil Procedure (Section 1280 et seq.).

12. In the event of legal action or arbitration to enforce or interpret this Agreement or any of its provisions, the prevailing Party shall be entitled, in addition to any other form of relief, to recover its reasonable attorney's fees and costs of suit.

13. The SBVMWD may temporarily discontinue or reduce the delivery of water to the West District hereunder for the purposes of necessary investigation, inspection, maintenance, repair, or replacement of any facilities necessary for the delivery of water to West District. The SBVMWD shall notify West District as far in advance as possible of any such discontinuance or reduction, except in cases of emergency, in which case advance notice need not be given. As nearly as possible any discontinuance or reduction in service shall be scheduled between October 1 and May 1. No such temporary discontinuance or reduction in deliveries shall excuse payment of the minimum monthly installment as set forth in Exhibit "B".

14. (a) Neither SBVMWD nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of Baseline Feeder project water supplied to West District after such water has been delivered into West District facilities; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such water beyond said point; and West District shall indemnify and hold harmless SBVMWD and its officers, agents, and employees from any such damages or claims of damages.

(b) Neither West District nor any of its officers, agents, or employees shall be liable for the control, carriage,

handling, use, disposal, or distribution of Baseline Feeder project water before such water has passed out of the facilities constructed and owned by SBVMWD; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water before it has passed beyond said point; and the SBVMWD shall indemnify and hold harmless West District and its officers, agents, and employees from any such damages or claims of damages.

15. It is recognized that from time to time additional facilities, pipelines, wells and/or booster stations may be constructed in addition to the Baseline Feeder facilities. West District and SBVMWD agree to negotiate in good faith additional capacity, terms of operation, and costs for these new facilities and to reach agreement upon the costs and operating criteria for these new facilities before changing the then current operating and payment provisions for the Baseline Feeder facilities as provided in this agreement.

16. West District and SBVMWD foresee the desirability of providing for potential future participation in the Baseline Feeder Facilities for agencies which do not currently need a supply of water therefrom. Any agreement made by SBVMWD reserving capacity for future use shall require payment of a proportionate share of the capital cost component of the pricing formula, including provisions for any prior capital costs.

17. Except as may be otherwise agreed by the parties

hereto, after West District has commenced making payments under this contract and until the debt incurred to finance the Baseline Feeder facilities has been paid off, any contract entered into by the SBVMWD with any other entity which entitles such entity to delivery of water from the Baseline Feeder facilities and reserves capacity in the Baseline Feeder facilities to make such deliveries shall require such entity to make payment at not less than the terms and rates specified in this contract, including provision for prior capital costs.

18. SBVMWD may, at its option, waive satisfaction of the contingencies specified in section 6.

Dated: November 29, 1989

San Bernardino Valley
Municipal Water District

by _____
President

ATTEST:

_____
Secretary

Dated: December 7, 1989

West San Bernardino County
Water District

by _____
President

ATTEST:

_____
Secretary

EXHIBIT "A"

Schedule of Deliveries Available

	Maximum Flow Rate
First Year	2,000 gpm
Subsequent Years	4,000 gpm

EXHIBIT "B"

Payment Schedule

Price per acre foot

Price per acre foot shall be determined as follows:

Fiscal Year	Pricing formula
1st	$80.00
2nd through 20th	The higher of (a) $80.00; or (b) $30.00 capital recovery charge (adjusted as provided below), plus actual pumping and maintenance cost, plus actual treatment cost, if any, as determined by the SBVMWD board.
after 20th	As set by the SBVMWD board

The first fiscal year shall commence the first day of the first month in which deliveries are made, or the first day of the sixth month prior to the first month in which SBVMWD has an obligation to make payments on principal or interest of debt incurred to construct the Baseline Feeder Facilities, whichever is earlier. The $30 capital recovery charge shall be adjusted annually to reflect the actual capital payments for the Baseline Feeder facilities.

Minimum Annual Payment

The minimum annual payment shall be an amount computed at the above price per acre foot for 2,500 acre feet for the first year and for 5,000 acre feet for subsequent years.

Payment Schedule

The minimum annual payment shall be made in 12 equal monthly installments ("minimum monthly installment") due on the first day

of each month. Payment for quantities delivered in excess of the quantity covered by the minimum monthly installment shall be made by the 15th day of the following month, and may be deducted from the minimum monthly installment in any subsequent month in such fiscal year in which the minimum monthly installment exceeds a charge based on the price per acre foot, to the extent of such excess.

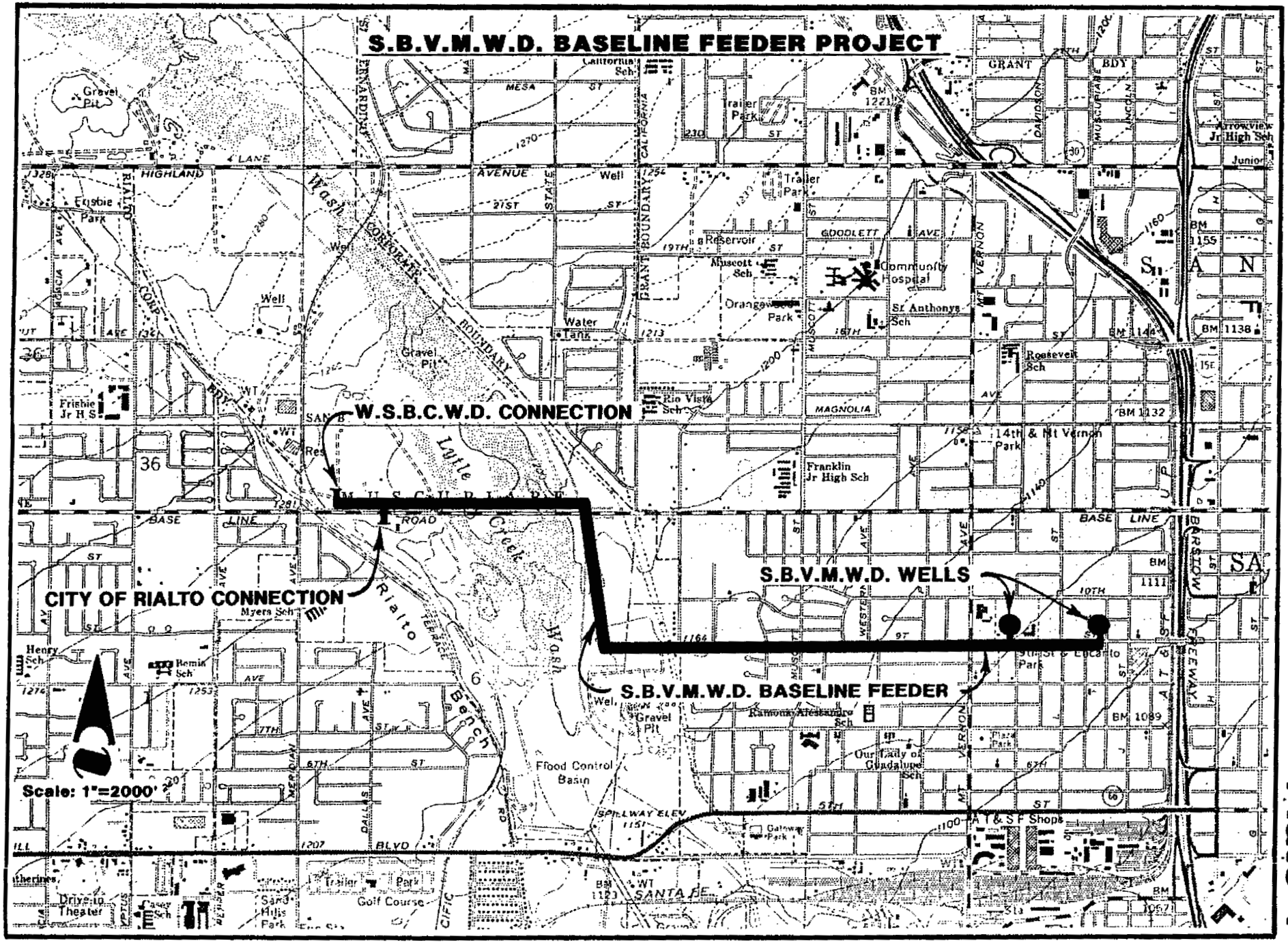

S.B.V.M.W.D. BASELINE FEEDER PROJECT
W.S.B.C.W.D. CONNECTION
CITY OF RIALTO CONNECTION
S.B.V.M.W.D. WELLS
S.B.V.M.W.D. BASELINE FEEDER
Scale: 1"=2000'

Plate 1

EXHIBIT "B"

CONTRACT BETWEEN THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT AND CITY OF RIALTO FOR A WATER SUPPLY FROM FACILITIES TO BE CONSTRUCTED KNOWN AS THE "BASELINE FEEDER"

This agreement is made by and between the San Bernardino Valley Municipal Water District, a municipal water district organized and existing under the Municipal Water District Law of 1911, hereinafter "SBVMWD," and City of Rialto, hereinafter "Rialto," on the date written at the end hereof.

RECITALS

The SBVMWD proposes to construct water facilities known as the "Baseline Feeder" consisting of a pipeline and associated facilities to convey water from the southern and central part of the San Bernardino Basin to users on the west side of the SBVMWD. It is anticipated that the SBVMWD will finance the cost of such facilities through arrangements with a lender or lenders. The parties desire to provide assurance through this agreement and related agreements that the additional water supply required by Rialto will be available to it, and that the cost of the facilities to be constructed pursuant to this agreement will be amortized by the parties contracting for such supply.

NOW THEREFORE, IT IS AGREED as follows:

1. The SBVMWD shall construct the Baseline Feeder

facilities for delivery of water into Rialto's distribution system as shown on Plate 1. In performing such construction the wells shall be drilled and tested prior to construction of the other facilities. Upon completion of the facilities SBVMWD shall deliver water to Rialto's system in quantities as required to meet the delivery schedule of Rialto arranged pursuant to this agreement. Except as otherwise specifically agreed by SBVMWD, the facilities constructed by the SBVMWD shall be its property, and it shall be responsible for their operation, maintenance and replacement.

2. Rialto shall be entitled to delivery of water from the Baseline Feeder in the flow rates and amounts and upon the schedule attached hereto as Exhibit "A". During the period this agreement is in effect or any extension thereof, SBVMWD shall reserve capacity in the Baseline Feeder facilities to make such deliveries to Rialto. Rialto shall periodically submit a schedule of actual deliveries desired so that reasonable operation requirements for such deliveries may be met. The water delivered shall comply with public health standards for domestic use. Deliveries shall be made in accordance with the SBVMWD Rules and Regulations for the Sale and Delivery of Water as they may from time to time be in effect.

3. Rialto shall pay for its rights to the delivery of water provided herein in accordance with the schedule set forth on Exhibit "B" attached hereto. Failure or refusal to accept delivery of project water to which it is entitled shall in no way

relieve it of its obligation to make payments to the SBVMWD as provided for herein. Rialto shall make such payments as they become due, notwithstanding any individual default by its customers or users, or any change in its requirements.

4. The water made available for delivery hereunder shall be delivered for use only within the boundaries of the SBVMWD, and Rialto agrees that neither such water nor any other water available to Rialto which may be surplus to its needs as a result of the supply available from the Baseline Feeder, shall be delivered or exchanged for use outside the SBVMWD.

5. This agreement shall be in effect for a period of 20 years commencing January 1, 1990 and ending December 31, 2009; provided that it shall not terminate until the debt incurred by the SBVMWD for the Baseline Feeder Facilities is paid in full. At any time during the last year (2009) if Rialto is not then in default under the terms herein, Rialto may extend this agreement for an additional 10 years by written notice given to SBVMWD. Rialto shall have options to extend this agreement for two additional 10 year periods, each to be exercisable during the last year to which this agreement has theretofore been extended, if Rialto is not then in default.

6. This agreement shall be contingent upon the occurrence of all the following events on or before February 1, 1990.

a. Execution of sufficient purchase agreements with the West San Bernardino County Water District and other users for the

Baseline Feeder project to guarantee the SBVMWD that it will receive payments sufficient to cover the capital cost of the facilities.

b. Execution of an agreement with the City of San Bernardino providing for the right of way for the pipeline.

c. Execution of an agreement with the San Bernardino County Flood Control District providing for the Baseline Feeder to cross San Bernardino County Flood Control District property and facilities.

On or about said date, SBVMWD shall notify Rialto whether or not such contingencies have occurred. If such contingencies have not occurred, this agreement shall be of no further force and effect; if such contingencies have occurred the parties hereto shall proceed with the fulfillment of the terms hereof.

7. Rialto shall have access to all the accounting records and meter readings taken by SBVMWD upon reasonable notice to SBVMWD.

8. Neither this Agreement nor any duties or obligations hereunder shall be assigned by Rialto without the prior written consent of the SBVMWD, and any such assignment without the consent of the SBVMWD shall at its option be void. Subject to the foregoing, this agreement and all of its provisions shall apply to and bind the successors and assigns of the parties.

9. Each party to this Agreement agrees to execute and deliver all documents and perform all further acts that may be reasonably necessary to carry out the provisions of this Agreement.

10. This Agreement may be amended in writing by unanimous action of the Parties.

11. If a dispute arises as to the interpretation or implementation of any provision of this Agreement, the issue or issues in dispute or matter requiring action shall be submitted to binding arbitration. For such purposes, an arbitrator shall be selected by agreement of the Parties. The agreed-upon arbitrator shall proceed to arbitrate the matter in accordance with the provisions of Title 9, Part 3, of the California Code of Civil Procedure (Section 1280 et seq.).

12. In the event of legal action or arbitration to enforce or interpret this Agreement or any of its provisions, the prevailing Party shall be entitled, in addition to any other form of relief, to recover its reasonable attorney's fees and costs of suit.

13. The SBVMWD may temporarily discontinue or reduce the delivery of water to the Rialto hereunder for the purposes of necessary investigation, inspection, maintenance, repair, or replacement of any facilities necessary for the delivery of water to Rialto. The SBVMWD shall notify Rialto as far in advance as

possible of any such discontinuance or reduction, except in cases of emergency, in which case advance notice need not be given. As nearly as possible any discontinuance or reduction in service shall be scheduled between October 1 and May 1. No such temporary discontinuance or reduction in deliveries shall excuse payment of the minimum monthly installment as set forth in Exhibit "B".

14. (a) Neither SBVMWD nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of Baseline Feeder project water supplied to Rialto after such water has been delivered into Rialto facilities; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such water beyond said point; and Rialto shall indemnify and hold harmless SBVMWD and its officers, agents, and employees from any such damages or claims of damages.

(b) Neither Rialto nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of Baseline Feeder project water before such water has passed out of the facilities constructed and owned by SBVMWD; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of

such water before it has passed beyond said point; and the SBVMWD shall indemnify and hold harmless Rialto and its officers, agents, and employees from any such damages or claims of damages.

15. It is recognized that from time to time additional facilities, pipelines, wells and/or booster stations may be constructed in addition to the Baseline Feeder facilities. Rialto and SBVMWD agree to negotiate in good faith additional capacity, terms of operation, and costs for these new facilities and to reach agreement upon the costs and operating criteria for these new facilities before changing the then current operating and payment provisions for the Baseline Feeder facilities as provided in this agreement.

16. Rialto and SBVMWD foresee the desirability of providing for potential future participation in the Baseline Feeder Facilities for agencies which do not currently need a supply of water therefrom. Any agreement made by SBVMWD reserving capacity for future use shall require payment of a proportionate share of the capital cost component of the pricing formula, including provisions for any prior capital costs.

17. Except as may be otherwise agreed by the parties hereto, after Rialto has commenced making payments under this contract and until the debt incurred to finance the Baseline Feeder facilities has been paid off, any contract entered into by the SBVMWD with any other entity which entitles such entity to delivery of water from the Baseline Feeder facilities and reserves capacity in the Baseline Feeder facilities to make such

deliveries shall require such entity to make payment at not less than the terms and rates specified in this contract, including provision for prior capital costs.

18. SBVMWD may, at its option, waive satisfaction of the contingencies specified in section 6.

Dated: November 29, 1989

San Bernardino Valley Municipal Water District

by _____
President

ATTEST:

_____
Secretary

Dated: December 11, 1989

City of Rialto

by _____
Mayor John Longville

ATTEST:

_____
Deputy City Clerk Diane Young

EXHIBIT "A"

Schedule of Deliveries Available

	Maximum Flow Rate
First Year	2,000 gpm
Subsequent Years	4,000 gpm

EXHIBIT "B"

Payment Schedule

Price per acre foot

Price per acre foot shall be determined as follows:

Fiscal Year	Pricing formula
1st	$80.00
2nd through 20th	The higher of (a) $80.00; or (b) $30.00 capital recovery charge (adjusted as provided below), plus actual pumping and maintenance cost, plus actual treatment cost, if any, as determined by the SBVMWD board.
after 20th	As set by the SBVMWD board

The first fiscal year shall commence the first day of the first month in which deliveries are made, or the first day of the sixth month prior to the first month in which SBVMWD has an obligation to make payments on principal or interest of debt incurred to construct the Baseline Feeder Facilities, whichever is earlier. The $30 capital recovery charge shall be adjusted annually to reflect the actual capital payments for the Baseline Feeder facilities.

Minimum Annual Payment

The minimum annual payment shall be an amount computed at the above price per acre foot for 2,500 acre feet for the first year and for 2,500 acre feet for subsequent years.

Payment Schedule

The minimum annual payment shall be made in 12 equal monthly installments ("minimum monthly installment") due on the first day

of each month. Payment for quantities delivered in excess of the quantity covered by the minimum monthly installment shall be made by the 15th day of the following month, and may be deducted from the minimum monthly installment in any subsequent month in such fiscal year in which the minimum monthly installment exceeds a charge based on the price per acre foot, to the extent of such excess.

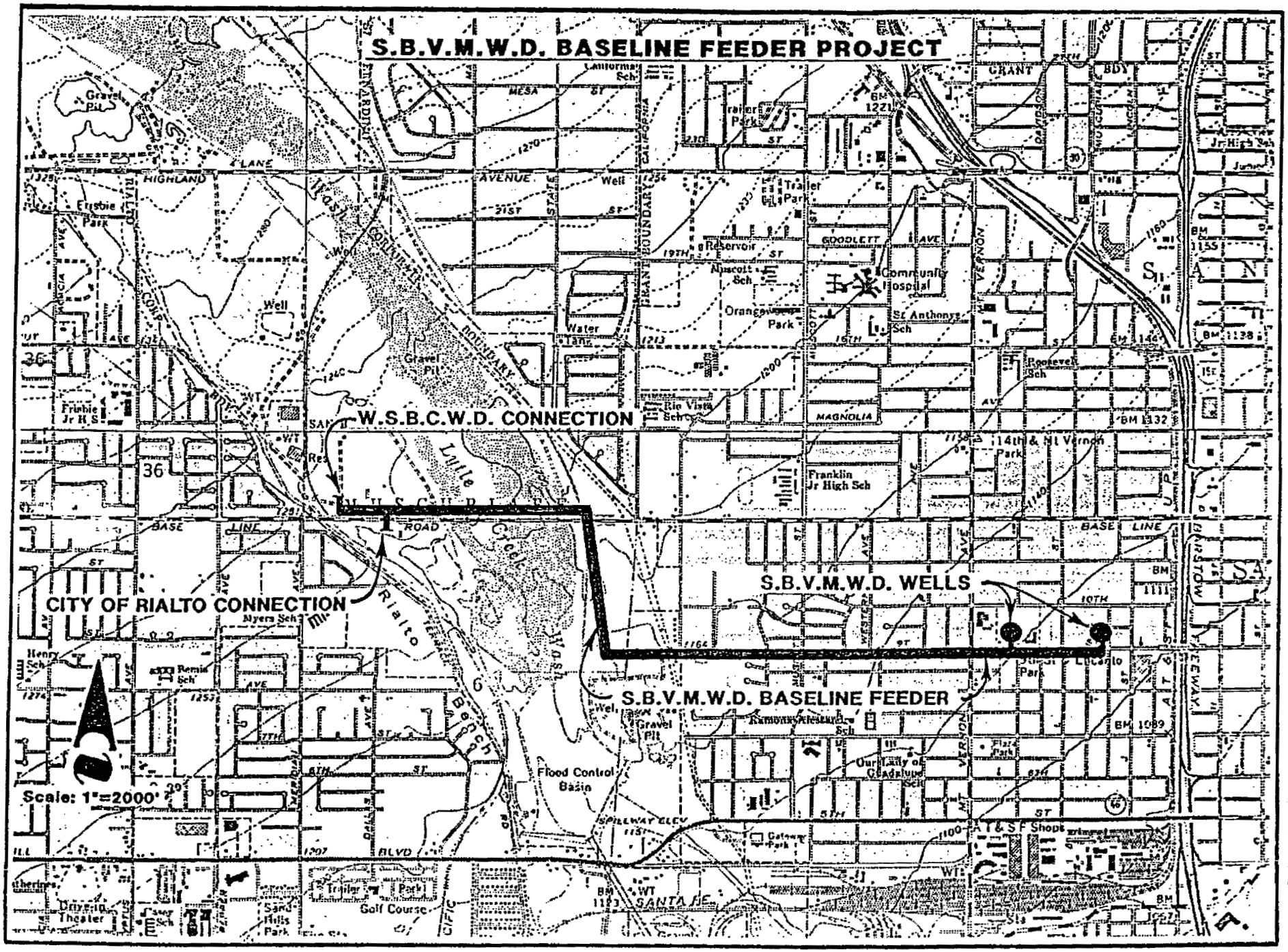

S.B.V.M.W.D. BASELINE FEEDER PROJECT
W.S.B.C.W.D. CONNECTION
CITY OF RIALTO CONNECTION
S.B.V.M.W.D. WELLS
S.B.V.M.W.D. BASELINE FEEDER
Scale: 1"=2000'
Plate 1

EXHIBIT "C"

CONTRACT BETWEEN THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT AND RIVERSIDE HIGHLAND WATER COMPANY FOR A WATER SUPPLY FROM FACILITIES TO BE CONSTRUCTED KNOWN AS THE "BASELINE FEEDER"

This agreement is made by and between the San Bernardino Valley Municipal Water District, a municipal water district organized and existing under the Municipal Water District Law of 1911, hereinafter "SBVMWD," and Riverside Highland Water Company, a mutual water company organized and existing under the laws of the State of California, hereinafter "RHWC," on the date written at the end hereof.

RECITALS

The SBVMWD proposes to construct water facilities known as the "Baseline Feeder" consisting of a pipeline and associated facilities to convey water from the southern and central part of the San Bernardino Basin to users on the west side of the SBVMWD. It is anticipated that the SBVMWD will finance the cost of such facilities through arrangements with a lender or lenders. The parties desire to provide assurance through this agreement and related agreements that the additional water supply required by RHWC will be available to it, and that the cost of the facilities to be constructed pursuant to this agreement will be amortized by the parties contracting for such supply.

NOW THEREFORE, IT IS AGREED as follows:

1. The SBVMWD shall construct the Baseline Feeder

SBVMWD LEGAL
DOCUMENT 1487

facilities for delivery of water into RHWC's distribution system as shown on Plate 1. In performing such construction the wells shall be drilled and tested prior to construction of the other facilities. Upon completion of the facilities SBVMWD shall deliver water to RHWC's system in quantities as required to meet the delivery schedule of RHWC arranged pursuant to this agreement. Except as otherwise specifically agreed by SBVMWD, the facilities constructed by the SBVMWD shall be its property, and it shall be responsible for their operation, maintenance and replacement.

2. RHWC shall be entitled to delivery of water from the Baseline Feeder in the flow rates and amounts and upon the schedule attached hereto as Exhibit "A". During the period this agreement is in effect or any extension thereof, SBVMWD shall reserve capacity in the Baseline Feeder facilities to make such deliveries to RHWC. RHWC shall periodically submit a schedule of actual deliveries desired so that reasonable operation requirements for such deliveries may be met. The water delivered shall comply with public health standards for domestic use. Deliveries shall be made in accordance with the SBVMWD Rules and Regulations for the Sale and Delivery of Water as they may from time to time be in effect.

3. RHWC shall pay for its rights to the delivery of water provided herein in accordance with the schedule set forth on Exhibit "B" attached hereto. Failure or refusal to accept delivery of water to which it is entitled shall in no way

relieve it of its obligation to make payments to the SBVMWD as provided for herein. RHWC shall make such payments as they become due, notwithstanding any individual default by its customers or users, or any change in its requirements.

4. The water made available for delivery hereunder is an extraction by RHWC under the definitions and provisions of the stipulated judgment entered in the case of Western Municipal Water District , et al., v. East San Bernardino County Water District ,et al., Riverside Superior Court No. 78426 (hereinafter "Western Judgment.") RHWC is limited by the Western Judgment in the total extractions which it may make from the San Bernardino Basin Area; such limitation is currently 4,294 acre-feet per year. Further, RHWC is limited in the amount of water it can export from the San Bernardino Basin Area to areas outside SBVMWD; such limitation is currently 1,845 acre-feet per year. Nothing in this agreement alters those amounts.

Paragraph VI (b) 6 of the Western Judgment allows SBVMWD and Western Municipal Water District to make an agreement which would enable RHWC to exceed the 4,294 acre-feet per year limit provided that the excess water is imported or supplemental water supplied by SBVMWD. SBVMWD agrees to pursue making such an agreement with Western. RHWC agrees that water produced in excess of their Western Judgment rights pursuant to such an agreement between SBVMWD and Western is only for use within the SBVMWD and shall not be exported outside SBVMWD.

Nothing in this agreement shall be construed to restrict

RHWC from participating (or to authorize participation) in agreements or court proceedings to allow temporary additional extractions from the San Bernardino Basin Area under the Western Judgment for export outside the boundaries of the SBVMWD.

5. This agreement shall be in effect for a period of 20 years commencing January 1, 1990 and ending December 31, 2009; provided that it shall not terminate until the debt incurred by the SBVMWD for the Baseline Feeder Facilities is paid in full. At any time during the last year (2009) if RHWC is not then in default under the terms herein, RHWC may extend this agreement for an additional 10 years by written notice given to SBVMWD. RHWC shall have options to extend this agreement for two additional 10 year periods, each to be exercisable during the last year to which this agreement has theretofore been extended, if RHWC is not then in default.

6. This agreement shall be contingent upon the occurrence of all the following events on or before February 1, 1990.

a. Execution of sufficient purchase agreements with the West San Bernardino County Water District, the City of Rialto and other users for the Baseline Feeder project to guarantee the SBVMWD that it will receive payments sufficient to cover the capital cost of the facilities.

b. Execution of an agreement with the City of San Bernardino providing for the right of way for the pipeline.

c. Execution of an agreement with the San Bernardino County Flood Control District providing for the Baseline Feeder to cross San Bernardino County Flood Control District property and facilities.

On or about said date, SBVMWD shall notify RHWC whether or not such contingencies have occurred. If such contingencies have not occurred, this agreement shall be of no further force and effect; if such contingencies have occurred the parties hereto shall proceed with the fulfillment of the terms hereof.

7. RHWC shall have access to all the accounting records and meter readings taken by SBVMWD upon reasonable notice to SBVMWD.

8. Neither this Agreement nor any duties or obligations hereunder shall be assigned by RHWC without the prior written consent of the SBVMWD, which consent shall not be withheld without good cause, and any such assignment without the consent of the SBVMWD shall at its option be void. Subject to the foregoing, this agreement and all of its provisions shall apply to and bind the successors and assigns of the parties.

9. Each party to this Agreement agrees to execute and deliver all documents and perform all further acts that may be reasonably necessary to carry out the provisions of this Agreement.

10. (This paragraph not used so as to retain numbering consistent with other similar agreements.)

11. If a dispute arises as to the interpretation or implementation of any provision of this Agreement, the issue or issues in dispute or matter requiring action may be submitted to arbitration. For such purposes, an arbitrator shall be selected by agreement of the Parties. The agreed-upon arbitrator shall proceed to arbitrate the matter in accordance with the provisions of Title 9, Part 3, of the California Code of Civil Procedure (Section 1280 et seq.).

12. In the event of legal action or arbitration to enforce or interpret this Agreement or any of its provisions, the prevailing Party shall be entitled, in addition to any other form of relief, to recover its reasonable attorney's fees and costs of suit.

13. The SBVMWD may temporarily discontinue or reduce the delivery of water to the RHWC hereunder for the purposes of necessary investigation, inspection, maintenance, repair, or replacement of any facilities necessary for the delivery of water to RHWC. The SBVMWD shall notify RHWC as far in advance as possible of any such discontinuance or reduction, except in cases of emergency, in which case advance notice need not be given. As nearly as possible any discontinuance or reduction in service shall be scheduled between October 1 and May 1. No such temporary discontinuance or reduction in deliveries shall excuse payment of the minimum monthly installment as set forth in Exhibit "B".

14. (a) Neither SBVMWD nor any of its officers, agents,

or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of Baseline Feeder project water supplied to RHWC after such water has been delivered into RHWC facilities; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such water beyond said point; and RHWC shall indemnify and hold harmless SBVMWD and its officers, agents, and employees from any such damages or claims of damages.

(b) Neither RHWC nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of Baseline Feeder project water before such water has passed out of the facilities constructed and owned by SBVMWD; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water before it has passed beyond said point; and the SBVMWD shall indemnify and hold harmless RHWC and its officers, agents, and employees from any such damages or claims of damages.

15. It is recognized that from time to time additional facilities, pipelines, wells and/or booster stations may be constructed in addition to the Baseline Feeder facilities. RHWC and SBVMWD agree to negotiate in good faith additional capacity, terms of operation, and costs for these new facilities and to

reach agreement upon the costs and operating criteria for these new facilities before changing the then current operating and payment provisions for the Baseline Feeder facilities as provided in this agreement.

16. (This paragraph not used so as to retain numbering consistent with other similar agreements).

17. Except as may be otherwise agreed by the parties hereto, after RHWC has commenced making payments under this contract and until the debt incurred to finance the Baseline Feeder facilities has been paid off, any contract entered into by the SBVMWD with any other entity which entitles such entity to delivery of water from the Baseline Feeder facilities and reserves capacity in the Baseline Feeder facilities to make such deliveries shall require such entity to make payment at not less than the terms and rates specified in this contract, including provision for prior capital costs.

18. SBVMWD may, at its option, waive satisfaction of the contingencies specified in section 6.

19. RHWC desires to implement this agreement upon only a stand-by basis at this time and does not expect to take any water deliveries at the time of initial operation. During such period prior to receipt of actual deliveries RHWC shall pay only the capital cost component as specified in Exhibit B. At such future time as actual deliveries are made to RHWC, RHWC will pay

the full price based on the procedures specified in Exhibit B.

Dated: January 8, 1990

San Bernardino Valley
Municipal Water District

by _____
President

ATTEST:

_____
Secretary

Dated: January 18, 1990

RIVERSIDE HIGHLAND WATER
COMPANY

by _____
President

ATTEST:

_____
Secretary

EXHIBIT "A"

Schedule of Deliveries Available

	Maximum Flow Rate
First Year	1,000 gpm
Subsequent Years	1,000 gpm

EXHIBIT "B"

Payment Schedule

Price per acre foot

Price per acre foot shall be determined as follows:

Fiscal Year	Pricing formula
1st	$30.00
2nd through 20th (until RHWC first takes delivery of water)	The higher of (a) $30.00; or (b) $30.00 capital recovery charge (adjusted as provided below).
2nd through 20th (after RHWC has taken its first water deliveries)	The higher of (a) $30.00; or (b) $30.00 capital recovery charge (adjusted as provided below), plus actual pumping and maintenance cost, plus actual treatment cost, if any, as determined by the SBVMWD board.
after 20th	As set by the SBVMWD board

The first fiscal year shall commence the first day of the first month in which deliveries are made, or the first day of the sixth month prior to the first month in which SBVMWD has an obligation to make payments on principal or interest of debt incurred to construct the Baseline Feeder Facilities, whichever is earlier. The $30 capital recovery charge shall be adjusted annually to reflect the actual capital payments for the Baseline Feeder facilities.

Minimum Annual Payment

The minimum annual payment shall be an amount computed at the above price per acre foot for 1,000 acre feet for the first year and for 1,000 acre feet for subsequent years.

Payment Schedule

The minimum annual payment shall be made in 12 equal monthly installments ("minimum monthly installment") due on the first day of each month. Payment for quantities delivered in excess of the quantity covered by the minimum monthly installment shall be made by the 15th day of the following month, and may be deducted from the minimum monthly installment in any subsequent month in such fiscal year in which the minimum monthly installment exceeds a charge based on the price per acre foot, to the extent of such excess.

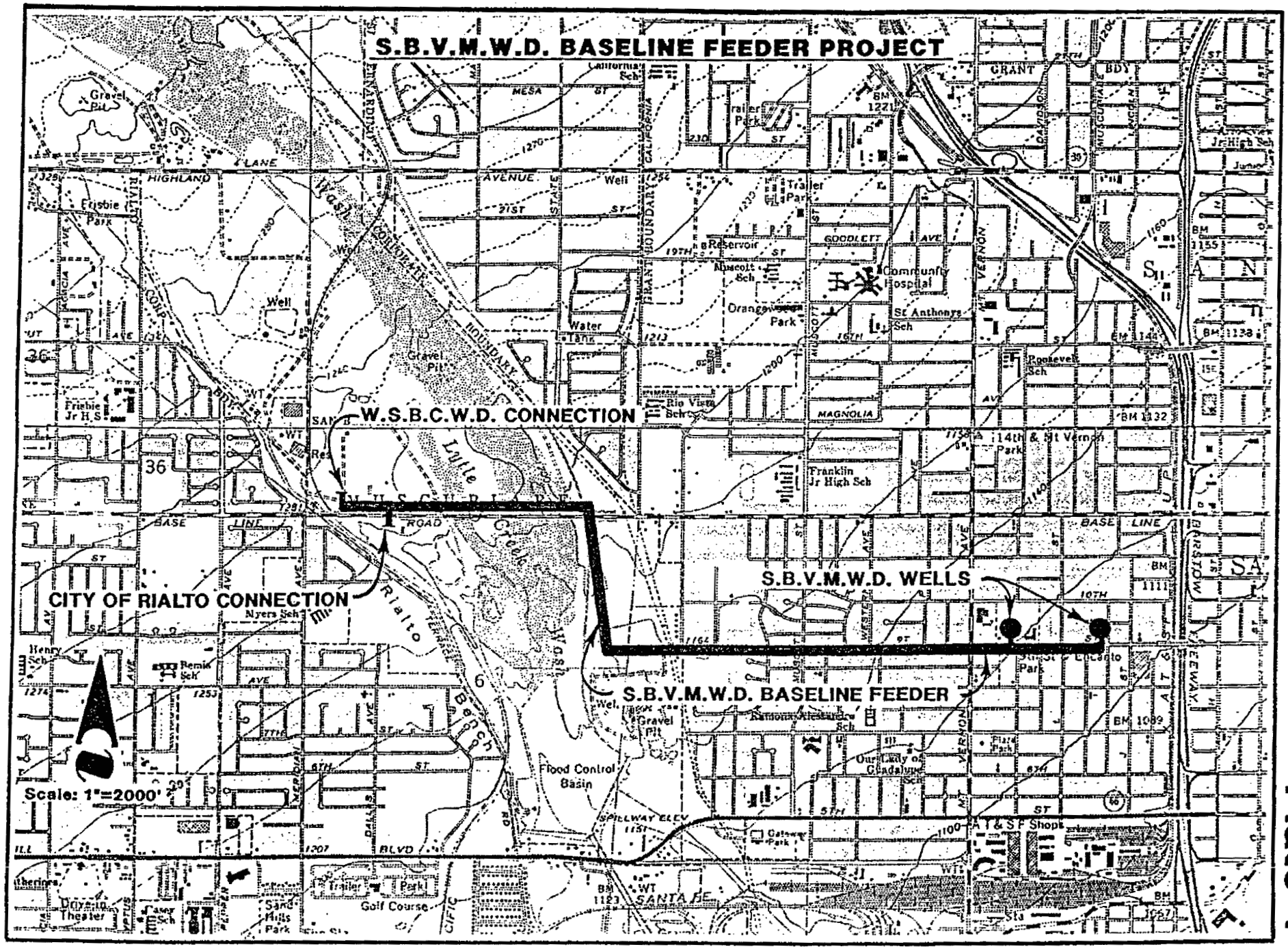

S.B.V.M.W.D. BASELINE FEEDER PROJECT
W.S.B.C.W.D. CONNECTION
CITY OF RIALTO CONNECTION
S.B.V.M.W.D. WELLS
S.B.V.M.W.D. BASELINE FEEDER
Scale: 1"=2000'

Plate 1

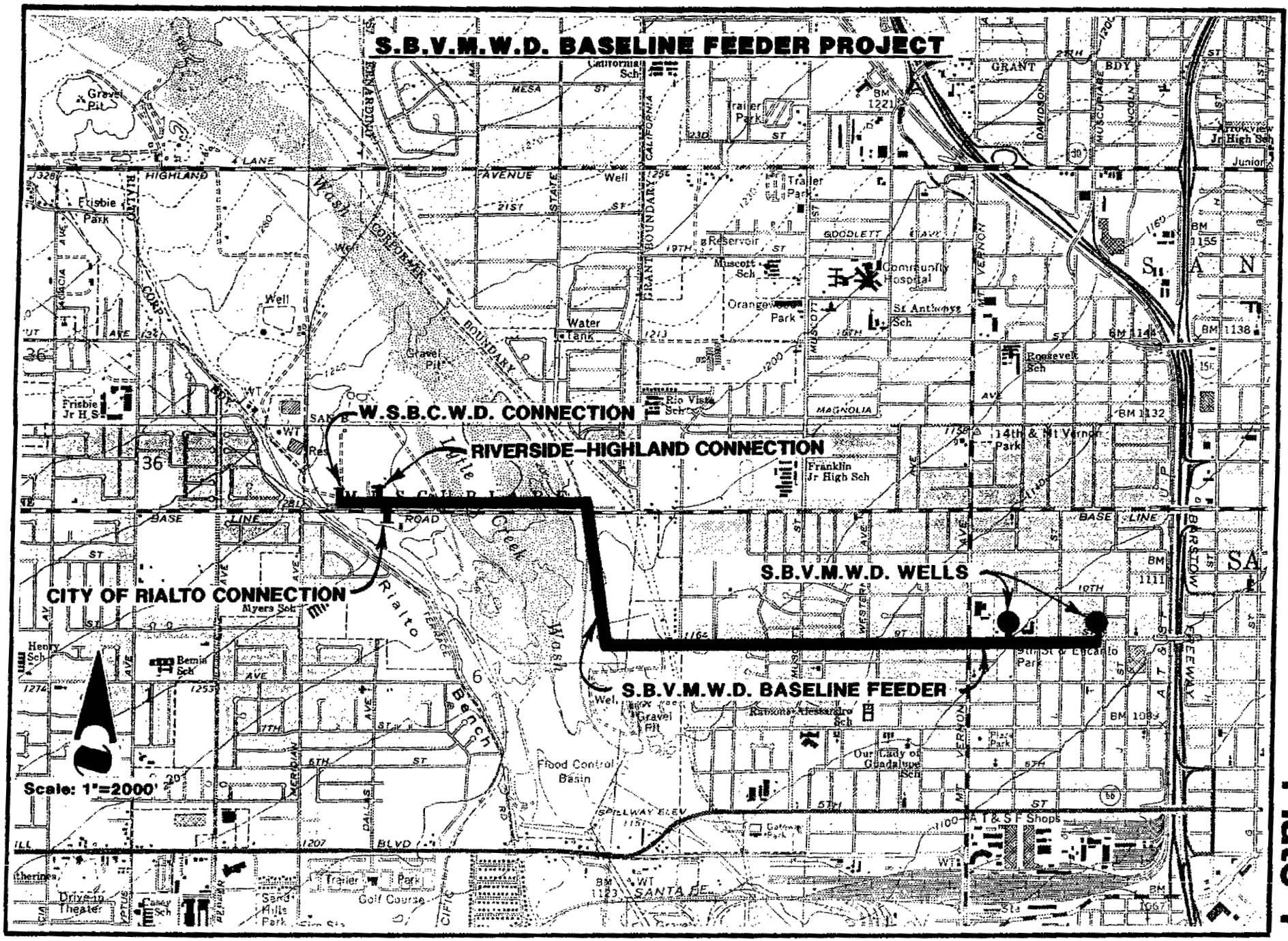


Plate 1

Revised 5/15/97 to show Riverside-Highland Connection

F51041

EXHIBIT "D"

AGREEMENT AMONG THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, THE CITY OF RIALTO AND THE WEST SAN BERNARDINO COUNTY WATER DISTRICT FOR THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF PHASE 3 AND 4 OF THE BASELINE FEEDER

This Agreement is made by and among the **SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT**, a Municipal Water District organized and existing under the Municipal Water District Law of 1911, hereinafter "SBVMWD". The **CITY OF RIALTO**, hereinafter "City", and the **WEST SAN BERNARDINO COUNTY WATER DISTRICT**, a County Water District organized and existing under the County Water District Law, hereinafter "District".

RECITALS

The SBVMWD has constructed, through agreement with various water purveyors, a project known as the Baseline Feeder 1 and 2 which terminates in the vicinity of the intersection of Base Line Road and Meredian Avenue, City of San Bernardino, California. It is to the mutual benefit of SBVMWD, City and District, hereinafter collectively called "Parties", that the Baseline Feeder be extended through construction of Phase 3 and 4 ("facilities" consisting of a pipeline and associated facilities as shown on Plate 1 attached hereto) to the District's Baseline reservoir in the vicinity of Base Line Road and Cactus Avenue, City of Rialto, California.

NOW, THEREFORE, it is agreed as follows:

1. District, acting as lead agency, shall construct the facilities. It shall be the responsibility of the District to acquire right-of-way and permits (if required), employ engineers, let contracts for the construction of the facilities, provide construction inspection and contract administration, and generally to be responsible for the design and construction of the facilities, provided that District shall consult with the other parties and give them reasonable opportunity to review plans, specifications, costs and procedures and to make comments in regard to all matters of concern to them. The constructed facilities shall be owned by

District subject to the contractual right of each of the parties to the use of one-third of the capacity of the facilities.

2. All construction contracts and change orders shall be approved by each party prior to award or approval.

3. After receipt of bids, approval by all of the parties, and upon award of contract, the parties agree to deposit their proportionate share of construction costs plus estimated engineering and contingency fees, as shown in Exhibit "A", (i.e., one-third each) in a construction account known as the Baseline Feeder Account. Any interest accruing from time to time on the funds in the said account shall be credited to the said account and added to the principal thereof. From said Account, District shall make progressive construction, engineering and inspection payments on billings received and approved by the District to the contractor and engineer. If any additional funds are required to complete the project due to approved change orders or other factors affecting the project approved by the parties, the parties agree to deposit their proportionate share of the required additional funds in the Construction Account within thirty (30) days of request by District. Any funds remaining in the Construction Account upon completion of the project shall be proportionately refunded to the parties.

District and City have previously expended funds for the design of the facilities, which are itemized in Exhibit "A" attached hereto. These charges shall be divided equally among the Parties.

4. After completion of the project, District shall operate and maintain the facilities. All operation and maintenance costs shall be paid in proportion to the use of the facilities by the parties in accordance with a budget prepared by District and approved by all parties. Said budget shall be presented for approval by June 1st of each year and shall cover the period from July 1st of each year through June 30th of the following year. Said budget shall estimate the use of the facilities by each of the parties for the succeeding fiscal year based on information supplied

by the parties and shall be adjusted periodically during the year based upon actual use. At the end of the fiscal year District shall refund any excess charge and bill any party for any amount it has been under charged, based upon the actual use of the facilities by the parties. All charges shall be paid within ten (10) days of presentation of a bill from District.

5. Any party shall have the right to use another party's capacity in the facilities if such capacity is available and approved by all parties and subject to an agreement between the affected parties.

6. All water to be transported through the facilities shall comply with public health standards for domestic use.

7. Operation of the facilities shall be conducted in coordination with the operation by SBVMWD of the Baseline Feeder Phases 1 and 2 and in a manner to carry out the agreements of the parties that the Baseline Feeder shall be used as a base load for the Rialto and District water systems when requested by SBVMWD.

8. Each party to this Agreement agrees to execute and deliver all documents and perform all further acts that may be reasonably necessary to carry out the provisions of this Agreement.

9. This Agreement may be amended in writing by unanimous action of the Parties.

10. If a dispute arises as to the interpretation or implementation of any provision of this Agreement, the issue or issues in dispute or matter requiring action shall be submitted to binding arbitration. For such purposes, an arbitrator shall be selected by agreement of the Parties. This agreed-upon-arbitrator shall proceed to arbitrate the matter in accordance with the provisions of Title 9, Part 3, of the California Code of Civil Procedure (Section 1280, et seq.).

11. The water made available for delivery hereunder shall be delivered for use only within the boundaries of the SBVMWD, and/or District boundaries as they exist as of the date of this contract, and each of the parties agrees that neither such water or any other water available to it which may be surplus to its needs as a result of the supply available from the facilities, shall be sold, delivered or exchanged for use outside the SBVMWD.

12. Neither this Agreement nor any duties or obligations hereunder shall be assigned by any party without the prior written consent of the other two parties, and any such assignment without the consent of the other two parties shall be void at the option of the party or parties having not consented in writing. Subject to the foregoing, this Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties.

13. In the event of legal action or arbitration to enforce or interpret this Agreement or any of its provisions, the prevailing Party shall be entitled, in addition to any other form of relief, to recover its reasonable attorney's fees and costs of suit.

14. Neither SBVMWD nor Rialto nor any of their officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of Baseline Feeder Phases 3 or 4 water supplied to District after such water has been delivered into the Phases 3 or 4 facilities; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such water beyond said point; and District shall indemnify and hold harmless SBVMWD, Rialto, and their officers, agents, and employees from any such damages or claims of damages.

Neither District nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of Baseline Feeder Phases 3 or 4 water after such water has passed out of the Phases 3 and 4 facilities

and into facilities of one of the other parties hereto or into facilities of others upon the directions of one of the other parties hereto; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water after it has passed beyond said point; and the party hereto to which or upon the direction of which such delivery is made shall indemnify and hold harmless District and its officers, agents and employees from any such damages or claims of damages.

Dated: October 19, 1990

San Bernardino Valley
Municipal Water District

by _____
President

ATTEST:

by _____
Secretary

Dated: OCT 16 1990

City of Rialto

by _____
Mayor John Longville

ATTEST:

by _____
City Clerk Joseph H. Sampson

Dated: Oct. 4, 1990

West San Bernardino County
Water District

by _____
President

ATTEST:

by _____
Secretary

APPROVED AS TO FORM AND CONTENT

_____
WSBCWD Legal Counsel

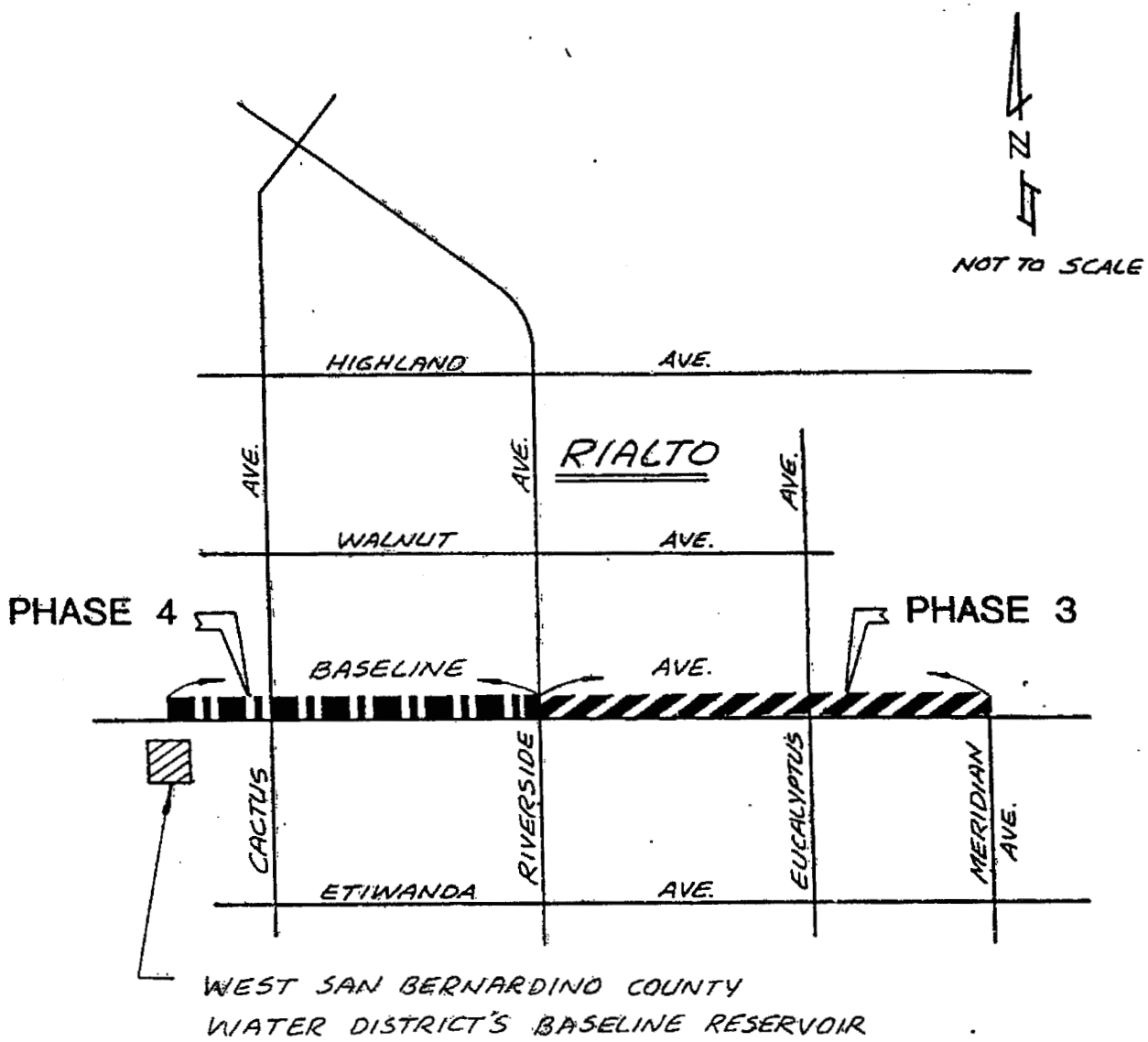


PLATE 1

MAP SHOWING LOCATION

OF

BASELINE FEEDER PHASE 3 AND 4

48" WATER TRANSMISSION LINE

NBS/LOWRY
ENGINEERS & PLANNERS

EXHIBIT "A"

EXPENDED FUNDS FOR ENGINEERING BY DISTRICT AND CITY THROUGH SEPTEMBER, 1990

DISTRICT - NBS/LOWRY	$37,689.66	
CITY - J.F. DAVIDSON, ASSOC.	$61,960.00	
TOTAL TO DATE		$99,649.66

CONSTRUCTION COST

KERSHAW CONSTRUCTION CO. (BID)	$1,949,602.50
CONTINGENCIES (8%)	$155,970.00

CONSTRUCTION PHASE ENGINEERING

INCLUDES OFFICE SUPERVISION DURING CONSTRUCTION, CONSTRUCTION STAKING INSPECTION & RECORD DRAWINGS ESTIMATED @ 6%	$116,980.00
TOTAL ESTIMATED COST	$2,322,202.16

EXHIBIT "E"

PROJECT DESCRIPTION
FOR
BASELINE FEEDER WELL REPLACEMENT AND IMPROVEMENT PROJECT

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
IN COOPERATION WITH
WEST VALLEY WATER DISTRICT, CITY OF RIALTO, AND
RIVERSIDE HIGHLAND WATER COMPANY

The Baseline Feeder Well Replacement and Improvement Project consists of construction of two (2) groundwater extraction wells and other appurtenant facilities at the site located at 1811 W. Ninth Street, San Bernardino and rehabilitation work and other wellhead improvements for the Perris Street Well site located at 1038 W. Ninth Street, San Bernardino. The detailed specifications and plans for the improvement work are documented in the San Bernardino Valley Municipal Water District Specifications 11-01 and are summarized below:

1. Work at the 9th Street Complex includes
    a. Installation of two (2) groundwater extraction wells;
    b. Equipping the wells with vertical turbine pumps;
    c. Construction of a 350,000-gallon aboveground steel tank reservoir;
    d. Construction of a booster station building with vertical can booster pumps;
    e. Installation of bulk sodium hypochlorite disinfection systems;
    f. Site work including yard piping, valving, energy dissipator, foundation preparation, and fencing;
    g. Installation of miscellaneous electrical components, control panels, and telemetry;
    h. Integration of the WVWD's existing supervisory control and data acquisition (SCADA) system;
    i. 9th Street right-of-way improvements including connection to the existing Baseline Feeder; and
    j. Start-up testing.

2. Work at the existing Perris Street well site includes
    a. Well rehabilitation work including pre- and post- well video;
    b. Well cleaning and redevelopment;
    c. Pump test, wellhead structural and mechanical improvements;
    d. Electrical equipment demolition and/or salvage and mechanical piping demolition;
    e. Well equipping work including furnishing new pumping equipment;
    f. Full noise enclosure with ventilation fan equipment, piping, valving;
    g. Electrical, control panels, telemetry to incorporate the WVWD's existing SCADA system; and
    h. Start-up testing.

SPECIFICATION NUMBER 11-01

For construction of

BASELINE FEEDER WELL REPLACEMENT AND IMPROVEMENT PROJECT

SAN BERNARDINO Valley MUNICIPAL WATER DISTRICT

BID SET

SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT
May 2011

SAN BERNARDINO Valley MUNICIPAL WATER DISTRICT

DRAWINGS FOR THE CONSTRUCTION
OF

BASELINE FEEDER WELL REPLACEMENT AND IMPROVEMENT PROJECT

SPECIFICATION No. 11-01

100% SUBMITTAL - ISSUED FOR BID

DIRECTORS AND OFFICERS

MARK ALVAREZ	GEORGE A. AGUILAR	PAT MILLIGAN	MARK BULOT	STEVE COPELAN	DOUGLAS HEADRICK
DIVISION I	DIVISION II	DIVISION III	DIVISION IV	DIVISION V	GENERAL MANAGER

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BLACK & VEATCH Building a world of difference
Black & Veatch Corporation
Irvine, California

ENGINEER'S SEAL

PLANS PREPARED BY: 5/9/2011 DATE
PROJECT ENGINEER

APPROVED BY: Douglas S. Headrick 5/9/2011 DATE
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

MARK	BY	DATE	REVISION

Valley MUNICIPAL WATER DISTRICT SAN BERNARDINO

380 EAST VANDENBERG WAY, SAN BERNARDINO, CA 92408
PHONE: (909) 387-9253 FAX: (909) 387-9247

ISSUED FOR: BID
DRAWING NO.: G-0

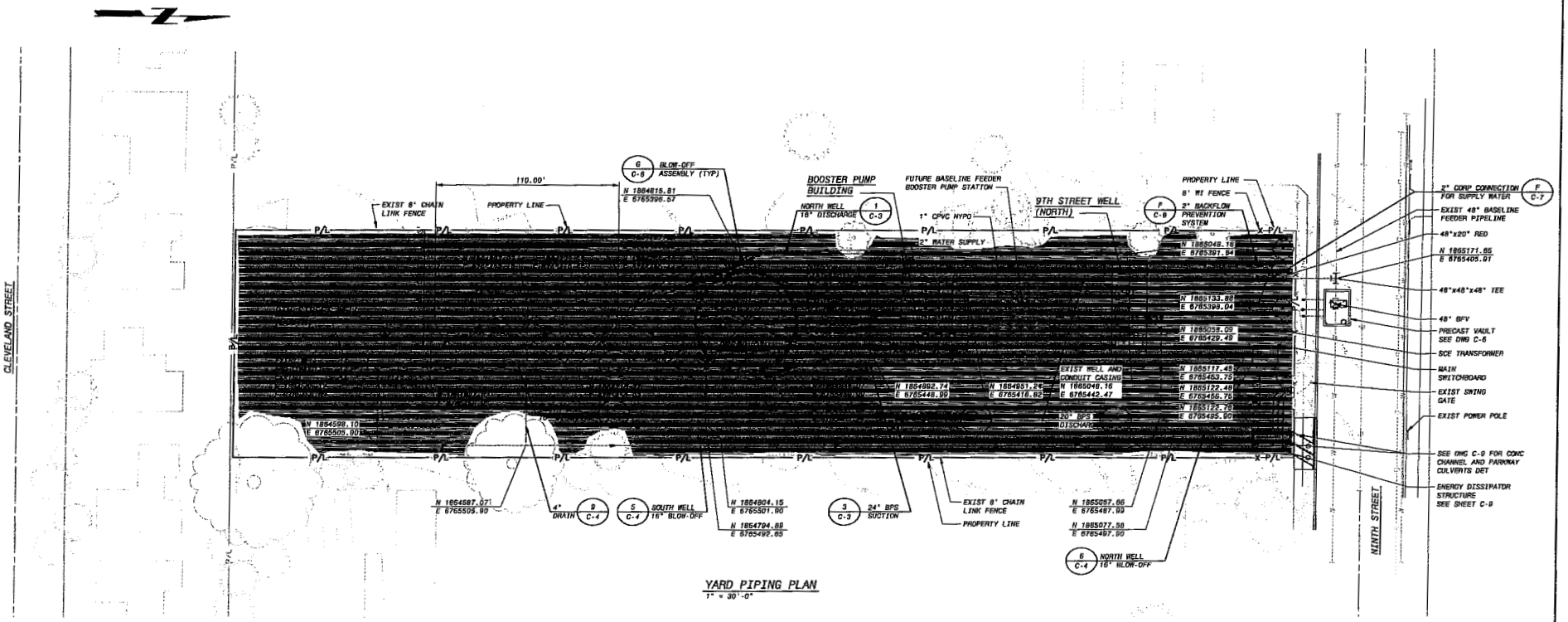
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

DATE: 05/09/2011
DESIGN/DRAWN: RSK/JEG
REVIEWED: SNF
PROJECT NO.: 1679

BASELINE FEEDER WELL REPLACEMENT AND IMPROVEMENTS PROJECT

GENERAL
COVER SHEET

SCALE: AS NOTED
SHEET: 1 OF 70
FILE NO.: F540XX



YARD PIPING PLAN
1" = 30'-0"

30' 20' 10' 0 30' 60'
1"=30'

PLOTTED: GLA36511, 5/4/2011 3:12:24 PM
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FD1671279
01671279

ISSUED FOR:	BID
DRAWING NO.	C-2

BLACK & VEATCH
Building a world of difference
Black & Veatch Corporation
Irvine, California

ENGINEER'S SEAL
5/9/11

PLANS PREPARED BY: 5/9/2011 (PROJECT ENGINEER) DATE
APPROVED BY: Douglas A. Hendrick 5/9/2011 (SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT) DATE

MARK	BY	DATE	REVISION

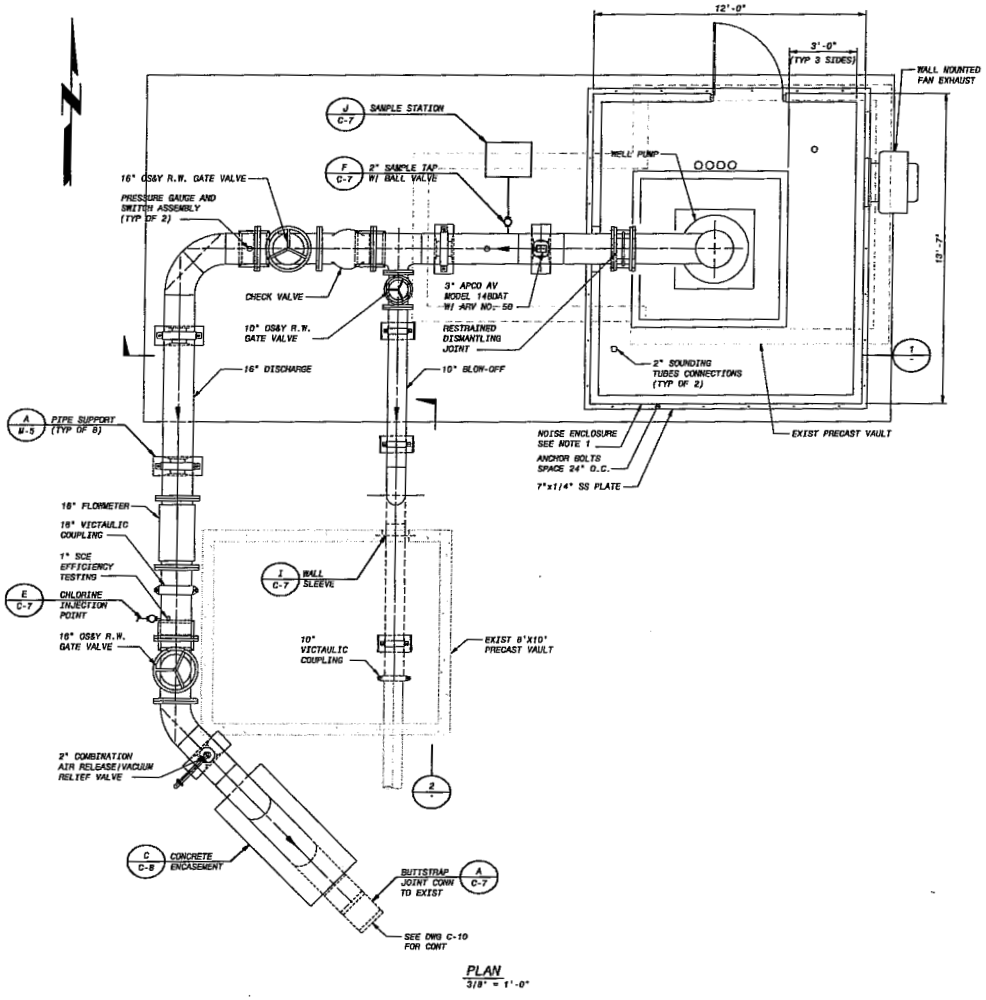
Valley SAN BERNARDINO MUNICIPAL WATER DISTRICT
380 EAST VANDENBERG WAY, SAN BERNARDINO, CA 92408
PHONE: (909) 387-9253 FAX: (909) 387-9247

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

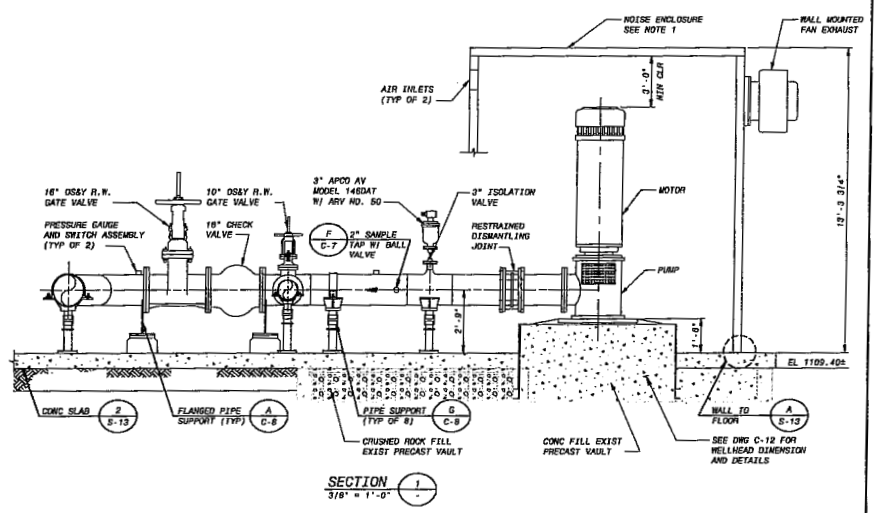
BASELINE FEEDER WELL REPLACEMENT AND IMPROVEMENTS PROJECT

9TH STREET COMPLEX
YARD PIPING PLAN

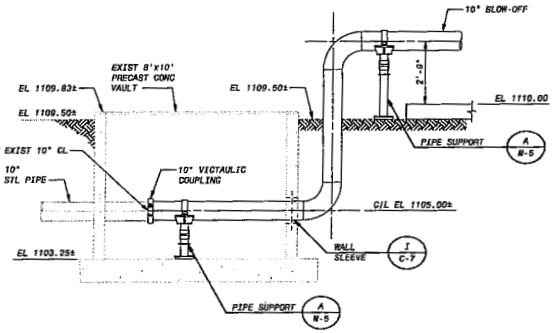
DATE:	05/09/2011
DESIGN/DRAWN:	RSK/JEG
REVIEWED:	SNF
PROJECT NO:	1579
SCALE:	AS NOTED
SHEET	7 OF 70
FILE NO.	F5400X



PLAN
3/8" = 1'-0"



SECTION 1
3/8" = 1'-0"



SECTION 2
3/8" = 1'-0"

12" 6" 0 1' 2' 3' 4' 5' 6' 7'
3/8"=1'-0"

ISSUED FOR: BID
DRAWING NO.: C-11

BLACK & VEATCH
Building a world of difference
Black & Veatch Corporation
Irvine, California

ENGINEER'S SEAL
5/9/11

PLANS PREPARED BY: 5/9/2011 DATE
PROJECT ENGINEER
APPROVED BY: Douglas S. Hendrick 5/9/2011 DATE
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

MARK	BY	DATE	REVISION

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
380 EAST VANDENBERG WAY, SAN BERNARDINO, CA 92408
PHONE: (909) 387-9253 FAX: (909) 387-9247

DATE: 05/09/2011
DESIGN/DRAWN: RSK/JEG
REVIEWED: SNF
PROJECT NO: 1679

BASELINE FEEDER WELL REPLACEMENT AND IMPROVEMENT PROJECT
PERRIS STREET WELL
WELLHEAD
PLAN AND SECTIONS

SCALE: AS NOTED
SHEET: 16 OF 70
FILE NO.: F540XX

PLOTTED: GLA36511, 4/22/2011 8:49:20 AM
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CYBER: ID: 10729-3004-C-A00014815

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01672719

EXHIBIT "F"

Department of Treasury
Internal Revenue Service
Ogden UT 84201-0074

Notice	CP152
Tax period	July 31, 2011
Notice date	September 5, 2013
Employer ID number	95-6005196
To contact us	Phone 1-877-829-5500
Page 1 of 1	

003461.888802.0014.001 1 AT 0.365 375

SAN BERNARDINO VALLEY MUNICIPAL WAT
ER DISTRICT
380 E VANDERBILT WAY
SN BERNRDNO CA 92408-3593809

003461

Acknowledgment of your July 7, 2011 Form 8038-G

We received your tax-exempt bond form

This notice serves as official acknowledgment that we received your Form 8038-G. If you filed more than one form, you will receive a separate acknowledgment for each one.

Tax-exempt bond information

Bond issuer	SAN BERNARDINO VALLEY MUNICIPAL WAT
Name of issue	REVENUE CERTIFICATES OF PARTICIPATI
Address	380 E VANDERBILT WAY SN BERNRDNO CA 92408
CUSIP number	796876AY6
Issue date	July 7, 2011
Issue price	$8,719,804.00
Maturity date	July 1, 2041
IRS report number	324

Important reminders

- Attach a copy of this notice to all of your correspondence and documents related to this tax-exempt bond.
- If a tax practitioner or someone else prepared your form, you may want to give them a copy of this notice. (A copy was automatically sent to all representatives authorized with a Power-of-Attorney for this form.)

Additional information

- Visit www.irs.gov/cp152.
- For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).
- If you have questions about tax-exempt bonds, call TEGE Customer Account Services at 1-877-829-5500.
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.

EXHIBIT "G"

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") is made this 1st day of May, 2012 ("Effective Date") for identification purposes only, by and between WEST VALLEY WATER DISTRICT, a public agency of the State of California ("West Valley") and SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, a public agency of the State of California ("Valley District").

RECITALS:

A. On or about May 1, 2012 Valley District, West Valley, the City of Rialto, a municipal corporation and Riverside Highland Water Company, a California corporation executed that certain Restated and Amended Agreement for the Construction, Operation and Maintenance of the New Baseline Feeder ("Restated Agreement"). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Restated Agreement.

B. West Valley owns certain real property located in the County of San Bernardino, California and described and/or depicted on Exhibit "A" attached hereto and by this reference incorporated herein ("Premises").

C. The parties to the Restated Agreement contemplate constructing two (2) wells and associated appurtenances thereto on the Premises. In furtherance thereof, Section 5.2.a of the Restated Agreement contemplates Valley District leasing the Premises from West Valley for a period that is identical to the term of the Restated Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

ARTICLE I

TERM

1.01 Term. This Agreement shall commence on the Effective Date ("Commencement Date") and end on the expiration or termination of the Restated Agreement.

ARTICLE II

PAYMENTS; TAXES; UTILITIES

2.01 Annual Payment.

(a) Valley District shall pay to West Valley an annual payment of One Dollar ($1.00). The payment of the first year's rent shall be payable on the execution of this Agreement by Valley District. Rent thereafter, shall be paid in advance, annually, beginning one (1) year after the Commencement Date.

(b) The annual payment shall be increased on the second (2^{nd}) anniversary of the Commencement Date of this Agreement and on each successive anniversary thereafter by an amount equal to four percent (4%) over the annual rent in effect immediately preceding the increase.

2.02 Taxes. The parties hereby agree that Valley District shall pay all property taxes, assessments or other charges of every description levied on or assessed against the Premises, improvements, including Improvements (as defined below) located on the Premises by Valley District, personal property located on or in the Premises by Valley District, the leasehold estate, or any subleasehold estate, to the full extent of the installments falling due during the term; although neither West Valley nor Valley District believe that any taxes should be due since both are public agencies. All tax payments shall be made directly to the charging authority by Valley District before delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for their nonpayment. If, however, the law expressly permits the payment of all or any of the above taxes in installments (whether or not interest accrues on the unpaid balance), Valley District may utilize the permitted installment method, but shall pay each installment with any interest before delinquency.

ARTICLE III

USE

3.01 Purposes. Valley District shall have the right to use the Premises during the term of this Agreement for the construction, operation, maintenance, repair and replacement of two (2) wells and appurtenances ("Improvements"). Valley District shall not use the Premises for any other purpose without the express written consent of West Valley.

3.02 Permits/Compliance with Regulations. Valley District shall, at its own cost and expense, apply for and obtain all necessary consents, approvals, zoning changes or variances, permits, authority, licenses, or entitlements, if any, from all appropriate governmental authorities to use the Premises for the purposes necessary to implement Section 3.01.

Valley District shall comply with and conform to all laws and all requirements and orders of any municipal, state, or federal board or authority, present and future, in any way relating to the use of the Premises by Valley District throughout the entire term of this Agreement.

3.03 Building Restrictions.

(a) Valley District and West Valley have agreed that Valley District may not construct any buildings or any other permanent or semi-permanent structures or improvements on the Premises except for the Improvements, during the term of the Agreement without the prior written consent of West Valley.

(b) Valley District shall pay or cause to be paid, the total cost and expense of all works of improvement, including the Improvements. Valley District shall not suffer or permit to be enforced against the Premises, or any part of it, any mechanic's, materialmen's, contractor's or subcontractor's lien arising from any work or improvement, or the Improvements, however it may arise.

3.04 Condition of Premises. The use of the Premises shall be granted to Valley District "as is" and with all faults. Valley District hereby covenants and agrees: (l) there are no representations or warranties of any kind whatsoever, expressed or implied, made by West Valley, except as set forth in this Agreement, including, without limitation, the land, land use controls, building restrictions, the purposes for which the Premises are suited, access to public roads or the availability of requisite governmental permits and/or approval; (2) Valley District is entering into the Agreement relying entirely on its own investigations of the Premises; and (3) Valley District further acknowledges that at the beginning of the term of this Agreement, it shall be aware of all regulations, other governmental requirements, site and physical conditions, and other matters affecting the use and condition of the Premises, and Valley District agrees to accept the use of the Premises in the condition that it is in at the start of the Agreement.

ARTICLE IV

MAINTENANCE; REPAIRS; ALTERATIONS; RECONSTRUCTION

4.01 Maintenance of Premises. Valley District shall, at Valley District's sole cost and expense, keep the Premises, including the Improvements located on the Premises in good order, repair and condition at all times during the term of this Agreement.

ARTICLE V

ASSIGNMENT AND SUBLETTING

5.01 Assignment. Valley District shall have no right to assign, sublet, encumber or otherwise transfer this Agreement, either voluntarily or by operation of law, in whole or in part, nor to otherwise permit use of the Premises by any party other than Valley District of all or any part of the Premises without the prior written consent of West Valley in each instance, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the parties understand, acknowledge and agree that Valley District may assign the right to operate, maintain, repair and replace the Improvements to West Valley, which assignment is hereby approved.

ARTICLE VI

INDEMNITY

6.03 Indemnity. To the extent permitted by California law, Valley District shall assume the defense of, indemnify and hold harmless West Valley from and against all liabilities, claims, losses, actions, demands, expenses and costs (including reasonable attorneys' fees) (collectively, "Costs") arising out of or in any way connected with the use of the Premises by Valley District and its agents, employees, contractors, subcontractors, representatives, lessees, successors, invitees and guests, save and except the foregoing indemnity shall not apply to the extent that any such Costs have been caused by the negligence, intentional acts or willful misconduct of West Valley, provided that West Valley shall be solely liable for any Costs arising, in whole or in part, prior to the effective date of this Lease.

ARTICLE VII

DEFAULT AND REMEDIES

7.01 Default. Valley District shall be deemed to be in default under the terms of this Agreement as follows:

(a) If Valley District shall fail to pay any installment of consideration payable pursuant to Section 2.01 or other sum within fifteen (15) days of the due date; or

(b) If Valley District shall fail to promptly perform or observe any covenant, condition or agreement to be performed by Valley District under this Agreement within thirty (30) days after written notice from West Valley.

(c) If Valley District shall abandon the Premises and such vacation or abandonment shall continue for thirty (30) days after written notice.

7.02 West Valley shall be deemed to be in default under the terms of this Agreement if any condition arises, during the term of this Agreement, the materially interferes with Valley District's authorized activities under this Agreement and West Valley does not cure said interference within 60 days of receiving written notice of such interference from Valley District.

7.03 Remedies. In the event of a default by either party, the other party, without further notice, shall have any remedy provided by law or equity.

ARTICLE VIII

GENERAL PROVISIONS

8.01. Notices. Any communication, notice or demand of any kind whatsoever which any party may be required or may desire to give to or serve upon the other shall be in writing and delivered by personal service (including express or courier service), by electronic communication, whether by e-mail, telex, telegram or telecopying (if confirmed in writing sent by registered or certified mail, postage prepaid, return receipt requested), or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

Valley District:
San Bernardino Valley Municipal Water District
380 E. Vanderbilt Way
San Bernardino, California 92408
Attn: General Manager
Telephone: (909) 387-9200
Facsimile: (909) 387-9247

West Valley:
West Valley Water District
P O Box 920
855 West Base Line
Rialto CA 92377-0920
Attn: General Manager
Telephone: 909-875-1804
Facsimile: 909-875-7284

Any party may change its address for notice by written notice given to the other in the manner provided in this Section. Any such communication, notice or demand shall be deemed to have been duly given or served on the date personally served, if by personal service, one (1) day after the date of confirmed dispatch if by electronic communication, or three (3) days after being placed in the U.S. mail, if mailed.

8.02 Entire Agreement. It is agreed and understood that this Agreement contains all agreements, promises and understandings between West Valley and Valley District, and no verbal or oral agreements, promises or understandings shall or will be binding upon either West Valley or Valley District, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing and signed by the parties hereto.

8.03 Successors. Subject to the provisions of this Agreement on assignment and subletting, each and all of the covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of the heirs, successors, executors, administrators, assigns, and personal representatives of the respective parties.

8.04 Attorneys' Fees. In the event that either party becomes involved in litigation arising out of this Agreement or the performance thereof, the Court in such litigation, or in a separate suit, shall award attorneys' fees and costs to the justly entitled party.

8.05 Severability. Should any part, clause, provision, or condition of this Agreement be held void, invalid, or inoperative, such invalidity shall not affect any other provision hereof, which shall be effective as though such invalid provisions had not been made.

8.06 Further Assurances. Either party, at any time upon reasonable request of the other, will at requesting party's cost and expense, execute, acknowledge and deliver all such additional documents and instruments and all such further assurances, and will do or cause to be done all further acts and things, in each case, as may be proper or reasonably necessary to carry out the purposes hereof.

8.07 Governing Law. This Agreement and performance hereof shall be governed, interpreted, construed and regulated by the laws of the State of California.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date first above written.

WEST VALLEY:

WEST VALLEY WATER DISTRICT,
a public agency of the State of California

By _____

Its: General Manager

VALLEY DISTRICT:

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT,
a public agency of the State of California

By _____

Its: Board President

EXHIBIT "A"

TO

LEASE AGREEMENT

DESCRIPTION OF PREMISES

Tax Collector » Property Information For Parcel 0139-341-12-0000

Type of Property: **UNKNOWN**

Address Information

Situs Address	*Protected per CA Govt. Code Sect. 6254.21*
Billing Address	*Protected per CA Govt. Code Sect. 6254.21*
As Of	2/18/1999

Legal Description

Tract Number	Lot Number	Block/Unit

R S B E 2 AC LOT 19 BLK 22 2 AC

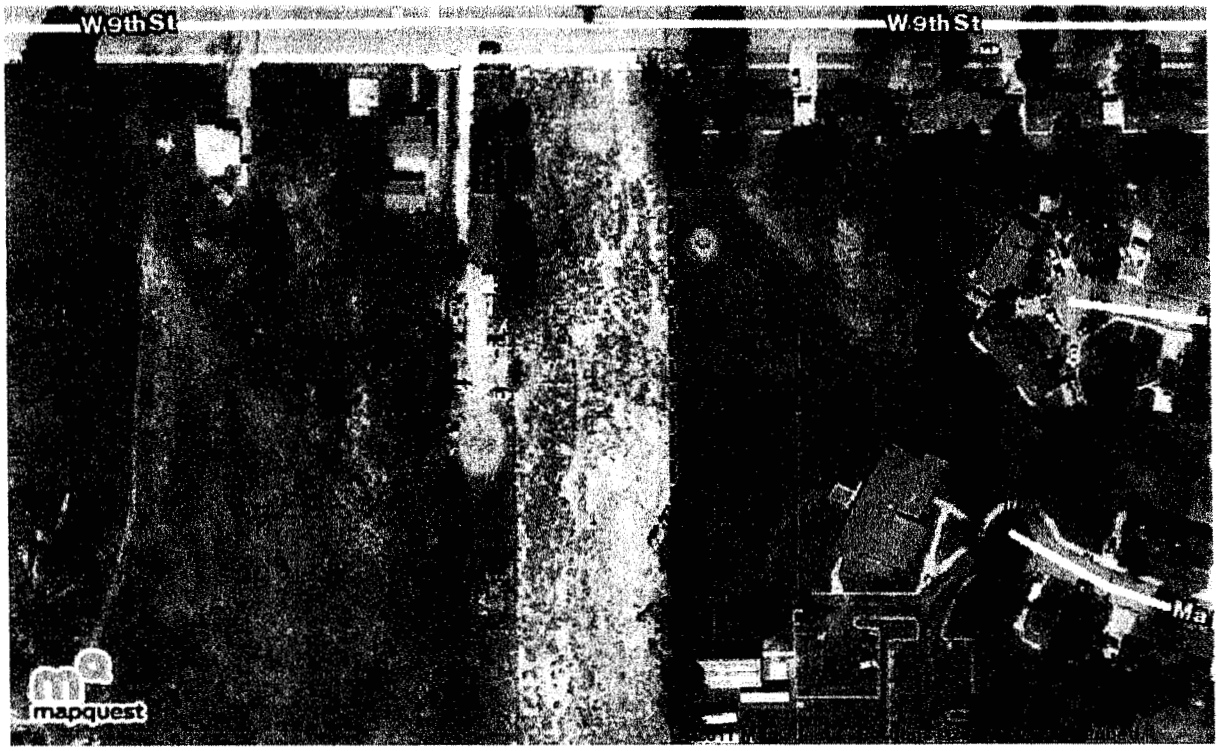
Roll Value

As of Jan 1, 2011
$0.00

Present Owner Information

Name	Percent Ownership	Relationship	Document Number	Recording Date	Acquire Date	Roll Year
WEST SAN BERNARDINO COUNTY WATER DIS	100%	SOLE OWNER	9842749900000	10/07/1998		

Map of:
1811 W 9th St
San Bernardino, CA 92411-2005



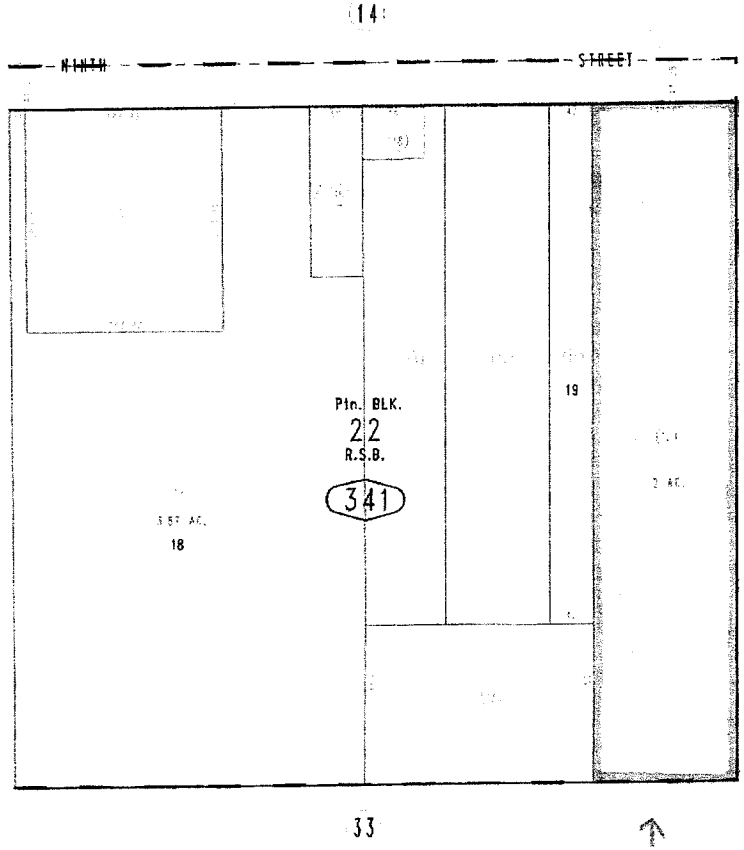
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Aerial View of Subject Property
APN: 0139-341-12
2.0-Ac. Vacant Land
Zoned for Single Family Residential Use

THIS MAP IS FOR THE PURPOSE OF AD VALOREM TAXATION ONLY

Ptn. Rancho San Bernardino

City of San Bernardino 0139 - 34
Tax Rate Area
7117



February 2005

Assessor's Map
Book 0139 Page 34
San Bernardino County

REVISED

EXHIBIT "H"

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("**Agreement**") is dated as of May 1, 2012 ("**Effective Date**") and is entered into by and between SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, a public agency of the State of California ("**Valley District**") and WEST VALLEY WATER DISTRICT, a public agency of the State of California ("**West Valley**"). Valley District and West Valley are sometimes hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**".

RECITALS

A. On or about May 1, 2012, Valley District, West Valley, the City of Rialto, a municipal corporation ("**Rialto**") and Riverside Highland Water Company, a California corporation ("**RHWC**") executed that certain Restated and Amended Agreement for the Construction, Operation and Maintenance of the New Baseline Feeder ("**Restated Agreement**"). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Restated Agreement.

B. Section 2.c of the Restated Agreement provides that Valley District shall be responsible for the operation and maintenance of the Project which includes the repair and replacement thereof.

C. Section 5.c of the Restated Agreement provides that Valley District shall be responsible for the operation and maintenance of the 9th St. Well Site (including the surge chamber) and the Baseline Feeder Phase I, Baseline Feeder Phase II and the wasteline pipeline which includes the repair and replacement thereof.

D. Valley District's operation and maintenance obligations set forth in Recitals B and C shall be collectively referred to herein as the "**O & M Obligations**" and shall include the obligation to respond to emergency situations such as, but not limited to, an earthquake, flood, fire, or civil unrest. The 9th St. Well Site (including the surge chamber), the Baseline Feeder Phase I, Baseline Feeder Phase II and the wasteline pipeline shall be collectively referred to herein as the "**Improvements**."

E. The Restated Agreement contemplates that Valley District may assign the O & M Obligations with respect to the Improvements to West Valley. In furtherance thereof, Valley District desires to assign to West Valley and West Valley desires to accept the assignment of all of Valley District's O & M Obligations under the Restated Agreement with respect to the Improvements on the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREIN CONTAINED AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Valley District hereby transfers and assigns to West Valley all of Valley District's O & M Obligations under the Restated Agreement with respect to the Improvements.

2. West Valley hereby accepts such transfer and assignment and assumes and agrees to perform all of Valley District's O & M Obligations under the Restated Agreement with respect to the Improvements.

3. West Valley shall operate the Project in a commercially reasonable manner as to aid Valley District in meeting the delivery schedules established pursuant to the Restated Agreement.

4. To the extent permitted by California law, West Valley shall assume the defense of, indemnify and hold harmless Valley District from and against all liabilities, claims, losses, actions, demands, expenses and costs (including reasonable attorneys' fees) (collectively, "**Costs**") arising out of or in any way connected with the O & M Obligations performed by West Valley, save and except the foregoing indemnity shall not apply to the extent that any such Costs have been caused by the negligence, intentional acts or willful misconduct of Valley District.

5. This Agreement may be executed in counterparts, each of which when so executed shall be deemed an original, and all of which, when taken together, shall constitute but one and the same instrument.

6. Each person executing this Agreement on behalf of West Valley or Valley District hereby represents and warrants (a) his/her authority to do so, (b) that such authority has been duly and validly conferred by that entity's governing body and (c) that said entity has the full right and authority to enter into this Agreement.

7. West Valley may not assign or otherwise transfer any of the O & M Obligations under the Restated Agreement without obtaining the prior written consent of Valley District, Rialto and RHWC, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, West Valley may, without the prior written consent of Rialto and RHWC, assign the O & M Obligations under the Restated Agreement back to Valley District.

8. In the event that any Party to the Restated Agreement believes that West Valley has failed to perform any of the O & M Obligations under the Restated Agreement, the Parties shall attempt to resolve the dispute through the process described in paragraph 10(b) of the Restated Agreement, *provided* that West Valley need not complete the cure within sixty days from the date of the written statement from Valley District as long as West Valley has commenced the cure and is diligently prosecuting the cure.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

VALLEY DISTRICT:

San Bernardino Valley Municipal Water District,
a public agency of the State of California

By _____
Name: C. Patrick Milligan
Its: Board President

WEST VALLEY:

West Valley Water District,
a public agency of the State of California

By _____
Name: Anthony Araiza
Its: General Manager

EXHIBIT "I"

SAMPLE PROCEDURES FOR CALCULATING PAYMENTS

Assumptions: a) Unit Cost for Cooperative Recharge Program (CRP): $80/AF;
b) O&M cost: 1st year: Estimate at beginning of the year: $90/AF; actual cost at the end of the year: $95/AF
2nd year: Estimate at beginning of the year: $95/AF; actual cost at the end of the year: $95/AF

1. Scenario A.: RHWC does not take any delivery for the 1st year

	Beginning of Year "Estimate"								End of Year "True-Up"						
Participant	Delivery Allocation (AF)	Est. Capital Payment	O&M Payment	Rechg Pmt	Back-Charges (Rialto)	Total Yrly Pmt	Mnly Pmt	"True up" Mnly Adj	Actual Delivery (AF)	Act. Capital Cost	Act. O&M Cost	Act. Rechg Cost	Back-Charges (Rialto)	Total Cost	"True up" Adj. for next yr
WVWD	5,000	$321,529	$450,000 [$90/AF x 5,000 AF]	$100,000	$0	$871,529	$72,627	$0	4,500	$321,529 [Mim "take-or-pay" charge]	$427,500 [$95/AF x 4,500 AF]	$90,000	$0	$839,029	$32,500 Over-charge
Rialto	2,500	$160,764	$225,000 [$90/AF x 2,500 AF]	$50,000	$12,159	$447,923	$37,327	$0	3,000	$160,764 [Mim "take-or-pay" charge]	$285,000 [$95/AF x 3,000 AF]	$60,000	$12,159	$517,923	($70,000) Under-charge
RHWC	Stand-by	$12,000	$0	$0	$0	$12,000	$1,000	$0	0	$12,000	$0	$0	$0	$12,000	$0

2. Scenario B.: RHWC takes 900 AF delivery in mid-year during the 2nd year

	Beginning of Year "Estimate"								End of Year "True-Up"						
Participant	Delivery Allocation (AF)	Est. Capital Payment	O&M Payment	Rechg Pmt	Back-Charges (Rialto)	Total Yrly Pmt	Mnly Pmt	"True up" Mnly Adj	Actual Delivery (AF)	Act. Capital Cost	Act. O&M Cost	Act. Rechg Cost	Back-Charges (Rialto)	Total Cost	"True up" Adj. for next yr
WVWD	5,000	$321,529	$475,000	$100,000	$0	$896,529	$74,711	($2,708) Credit	3,500	$297,119 [($506k-$61k)x (2/3)]	$332,500 [$95/AF x 3,500 AF]	$70,000	$0	$699,619	$196,910 Over-charge
Rialto	2,500	$160,764	$237,500	$50,000	$12,159	$460,423	$38,369	$5,833 Add. Pmt	3,100	$148,559 [($506k-$61k)x (1/3)]	$294,500 [$95/AF x 3,100 AF]	$62,000	$12,159	$517,218	($56,795) Under-charge
RHWC	Stand-by	$12,000	$0	$0	$0	$12,000	$1,000	$0	900	$60,774 [$506,452/ 7,500 AF x 900 AF]	$85,500 [$95/AF x 900 AF]	$18,000	$0	$164,274	($152,274) Under-charge

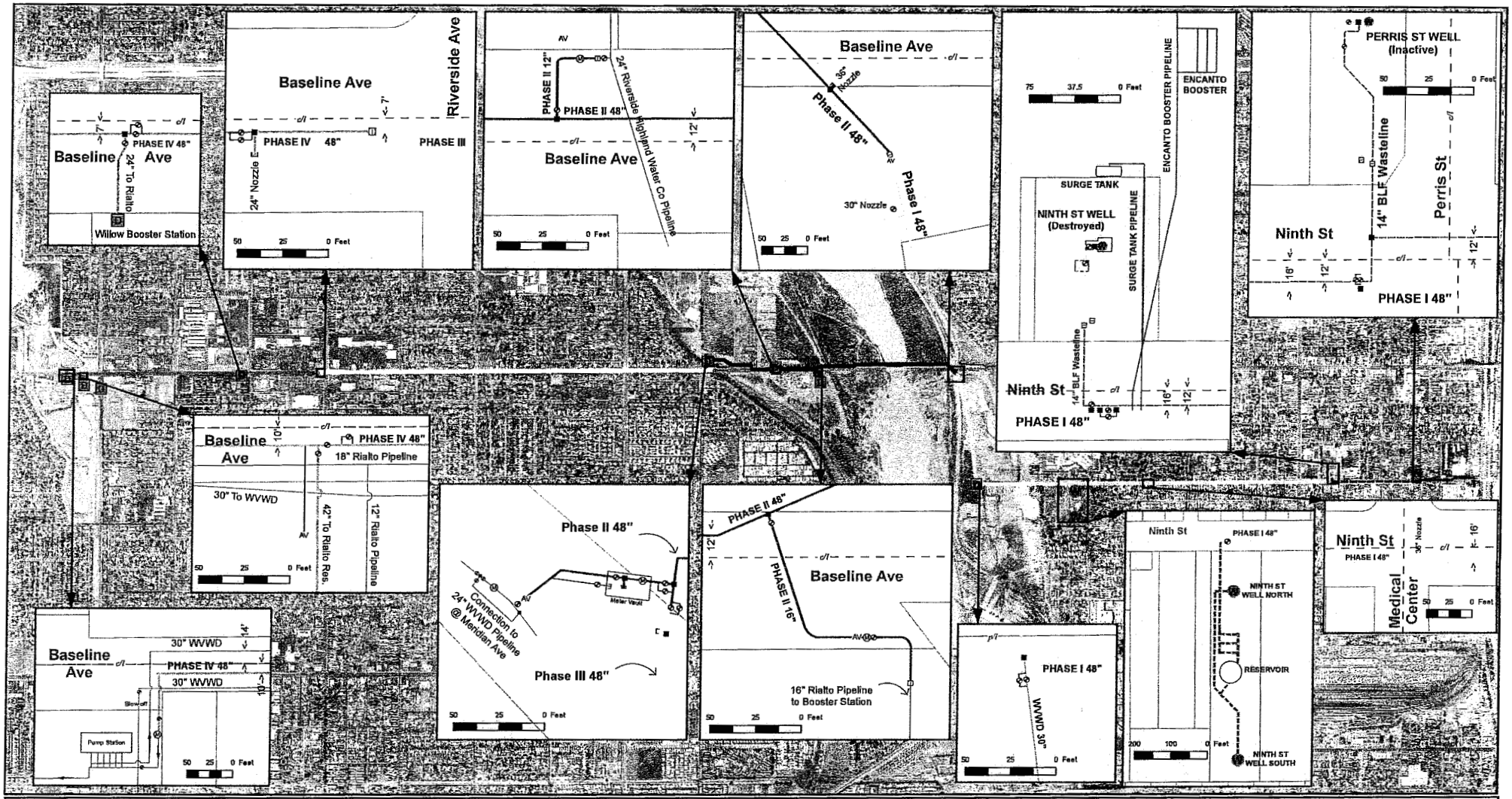
EXHIBIT "J"

Debt Service Schedule
San Bernardino Valley Municipal Water District
Revenue Certificates of Participation, Series 2011A
(Baseline Feeder Project)

Item	Sum	Percentage
Rialto's Back-Charge:	$205,629	
Net Bond Issuance Cost:	$0	2.40%
Capital Cost:	$8,359,371	
Net Bond Issuance Cost:	$0	97.60%
Total Bond Issuance:	$8,565,000	100.00%

Allocation of Bond Proceeds		
Capital Cost	8,359,371	97.60%
Rialto Back-Charge	205,629	2.40%
	8,565,000	100.00%

			Annual Payment				Monthly Payment		
Pmt Due	Annual D/S	Annual Equal Collection	WVWD	Rialto	Rialto Back Charge	RHWC	WVWD	Rialto	RHWC
7/1/2012	$497,228.03	$506,452.20	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2013	$504,743.76	$506,452.20	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2014	$501,443.76	$506,452.20	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2015	$501,493.76	$506,452.20	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2016	$506,393.76	$506,452.20	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2017	$505,993.76	$506,452.20	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2018	$505,443.76	$506,452.20	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2019	$502,843.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2020	$505,043.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2021	$506,843.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2022	$508,243.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2023	$504,243.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2024	$505,043.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2025	$505,443.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2026	$505,443.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2027	$505,043.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2028	$509,243.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2029	$507,843.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2030	$506,043.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2031	$508,843.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2032	$505,643.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2033	$506,618.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2034	$506,956.26	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2035	$506,656.26	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2036	$510,718.76	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2037	$508,437.50	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2038	$510,500.00	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2039	$511,687.50	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2040	$512,000.00	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
7/1/2041	$511,437.50	$506,452.19	$321,528.84	$160,764.42	$12,158.93	$12,000.00	$26,794.07	$14,410.28	$1,000.00
Total D/S	**$15,193,565.77**	**$15,193,565.77**	**$9,645,865.20**	**$4,822,932.60**	**$364,767.98**	**$360,000.00**			



Legend

- Baseline Feeder Phase I
- Baseline Feeder Phase II
- Baseline Feeder Phase III
- Baseline Feeder Phase IV
- BLF Wasteline
- BLF Well
- DeliveryPoint

BASELINE FEEDER SYSTEM

1,500 750 0 1,500 3,000 4,500 Feet

EXHIBIT "K"

N W E S

San Bernardino Valley Municipal Water District

Path: \\Gisws\gisprojects\2010\1879_BaselineFeederWellReplacementProject\PipelineFinal.mxd

Date: 3/21/2012