RECORDED PLEASE RETURN TO:
San Bernardino Valley
Water Conservation District
303 Brookside Avenue
Redlands, CA 92373

RECORDED IN OFFICIAL RECORDS
SEP 9 1976 AT 8 A.M.
V. DENNIS WARDLE
CLERK-RECORDER
SAN BERNARDINO COUNTY, CALIF.

SANTA ANA RIVER – MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976
# TABLE OF CONTENTS

1. **RECITALS** .................................................. 1

2. **DEFINITIONS** .................................................. 2
   a. Entity ............................................. 2
   b. Eligible Entity ................................ 2
   c. Party ............................................. 2
   d. Management Committee ......................... 2
   e. Project Manager ................................ 2
   f. Import Water ..................................... 2
   g. Local Water ....................................... 2
   h. Entitlement Water ................................ 2
   i. Exchange Water ................................... 2
   j. Simultaneous Exchange ......................... 2
   k. Deferred Exchange ............................... 3
   l. Deferred Exchange Water Credit ............. 3
   m. Supplemental Water ............................... 3
   n. Cooperative Water Project Facilities ........ 3
   o. Associated Water Facilities .................... 3
   p. Cooperative Water Project ...................... 3
   q. Historical Conditions ......................... 3
   r. Edison Company ................................... 3
   s. Year ............................................... 3
   t. State Contract .................................... 3

3. **ELIGIBLE ENTITIES** ........................................... 3
   a. Bear Valley Mutual Water Company ........... 3
   b. City of Redlands ................................... 3
   c. Crafton Water Company ........................... 4
   d. East San Bernardino County Water District .... 4
   e. Lugonia Water Company ............................ 4
   f. North Fork Water Company ....................... 4
   g. Redlands Water Company ........................... 4
   h. San Bernardino Valley Municipal Water District ... 4
   i. San Bernardino Valley Water Conservation District ........ 4
   j. Yucaipa Valley County Water District ........... 4

4. **CONSTRUCTION OF COOPERATIVE WATER PROJECT FACILITIES** ........ 4

5. **DELIVERY PROVISIONS** ....................................... 5
   a. General ............................................. 5
   b. Import Water ..................................... 6
   c. Exchange Water and Supplemental Water .......... 6
   d. Use of Cooperative Water Project Facilities to Convey Entitlement Water ....... 6
   e. Local Water ....................................... 7
   f. Deferred Exchange Water .......................... 7
   g. Priorities ......................................... 7
   h. Instructions ....................................... 8
6. MANAGEMENT ................................................. 8
   a. Management Committee ................................. 8
   b. Project Manager ...................................... 9
   c. Administrative Expenses .............................. 9

7. OWNERSHIP AND OPERATION OF FACILITIES ............. 9

8. WATER QUALITY ........................................... 10

9. RECORDS .................................................. 10

10. EDISON COMPANY AGREEMENTS ........................... 11

11. SHORTAGE OF SUPPLY OR TEMPORARY REDUCTION OR
    CESSATION OF DELIVERIES .............................. 11
    a. Scheduled Shutdowns ................................. 11
    b. Interruption of Service ............................ 11
    c. Temporary Discontinuance .......................... 11
    d. Continuity of Service ............................. 12

12. Breach ................................................... 12
    a. Right to Revert to Historical Conditions ......... 12
    b. Preliminary Determination of Serious Breach .... 12
    c. Rights to Judicial Relief Unaffected by Preliminary
       Determination ....................................... 12

13. WITHDRAWAL FROM THE COOPERATIVE WATER
    PROJECT AGREEMENT ..................................... 12

14. PROVISIONS WITH RESPECT TO PRESERVATION, TRANSFER,
    CONDEMNATION, AND DEFENSE OF WATER RIGHTS ....... 13
    a. Non-Use of Water ................................... 13
    b. Transfer ............................................ 13
    c. Rights ............................................. 13
    d. Condemnation ..................................... 13
    e. Defense ........................................... 13
    f. Covenant and Lien ................................ 14
    g. Successors and Assigns ............................ 14
    h. .................................................... 14

15. USE OF COOPERATIVE WATER PROJECT FACILITIES FOR DELIVERY
    OF WATER BY VALLEY DISTRICT ........................ 14
    a. Use of Facilities .................................. 14
    b. San Gorgonio Pass Water Agency ................... 14

16. WATER CHARGES AND PAYMENT PROVISIONS ............... 15
    a. Charge for Supplemental Water .................... 15
    b. Simultaneous Exchange Water Charge ................ 16
c. Deferred Exchange Water Charge ........................................ 16

d. Charges for Conveyance of Entitlement Water through Cooperative Water Project Facilities ........................................ 16

e. Provisions of Payment .................................................... 17

17. ADDITIONAL PARTIES .................................................. 17

18. AMENDMENTS .............................................................. 17

19. OPINIONS AND DETERMINATIONS ................................... 17

20. NOTICE ................................................................. 17

21. APPROVALS REQUIRED, EFFECTIVE DATE, AND MECHANICS OF EXECUTION ...................................................... 18

EXHIBIT A ENTITLEMENTS TO WATER

EXHIBIT B ENTITLEMENT WATER MAXIMUM INSTANTANEOUS RATES OF FLOW AND DELIVERY POINTS

EXHIBIT C DETERMINATION AND MEASUREMENT OF EXCHANGEABLE WATER

EXHIBIT D FACILITIES TO BE CONSTRUCTED AS THE FIRST INCREMENT OF THE COOPERATIVE WATER PROJECT

PLATE 1 CONCEPTUAL PLAN OF COOPERATIVE WATER PROJECT FACILITIES AND ASSOCIATED WATER FACILITIES

PLATE 2 PLAT SHOWING EXISTING WATER DIVERSION FACILITIES NEAR MOUTH OF SANTA ANA CANYON

PLATE 3 PLAT SHOWING EXISTING WATER DIVERSION FACILITIES NEAR MOUTH OF MILL CREEK CANYON
SANTA ANA RIVER - MILL CREEK

COOPERATIVE WATER PROJECT AGREEMENT

This Agreement is concluded by and between the Parties hereto to provide for the efficient and economical use of Local and Import Water supplies and shall be known as "The Cooperative Water Project Agreement," hereinafter sometimes referred to as "Agreement."

1. RECITALS

The Eligible Entities (as hereinafter defined), other than the San Bernardino Valley Municipal Water District, have water rights, including in certain cases water rights on the Santa Ana River and on Mill Creek, and have, in many cases for over seventy years, exercised those water rights for the purpose of supplying water to the water users of their respective Entities. Such Entities also have existing facilities which they have used for the development, diversion, and transmission of water from their respective sources of supply.

The San Bernardino Valley Water Conservation District has been engaged for many years in conserving and spreading water from the Santa Ana River and Mill Creek for the purpose of groundwater replenishment pursuant to rights which it holds for such purpose.

The San Bernardino Valley Municipal Water District has a contract with the State of California Department of Water Resources pursuant to the State Water Project under which it is importing a water supply into the San Bernardino Valley. Said District is presently engaged in the construction of local distribution facilities to make Import Water available for direct delivery, including groundwater recharge.

Pursuant to engineering studies which indicate that all of the Eligible Entities, as defined herein, will benefit from a cooperative water supply plan, it is the desire of the Parties to provide for the Parties' beneficial use of existing Local Water and of the available Import Water supply on an integrated basis utilizing various exchanges and transfers in order to provide the most economical, efficient, and dependable supply possible at a minimum of expense to water users and the taxpayers and to conserve energy. The studies indicate that the plan is of mutual benefit to all of the Eligible Entities and that
there will be no adverse effects or penalties to any of them or to other Entities not signatory to this Agreement.

2. DEFINITIONS

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

a. Entity: An individual, partnership, corporation (including a mutual water company), or public agency.

b. Eligible Entity: Any Entity eligible to become a Party hereto as set forth in Section 3, below.

c. Party: Any Eligible Entity signatory to this Agreement in accordance with its terms and conditions.

d. Management Committee: The committee comprised of one representative from each Party to this Agreement.

e. Project Manager: The San Bernardino Valley Water Conservation District or any other public agency appointed by the Management Committee and approved by the San Bernardino Valley Municipal Water District, acting under the supervision of the Management Committee.

f. Import Water: Water imported by and belonging to San Bernardino Valley Municipal Water District pursuant to its contract with the State of California Department of Water Resources from the State Water Project.

g. Local Water: All water supplies, except Import Water, available to an Entity.

h. Entitlement Water: Local Water to which a Party has an entitlement as described in Exhibit A, which water rights are not necessarily any Party’s total claim to water rights in the respective source listed. This definition is solely for purposes of this Agreement and not for the purpose of defining or establishing water rights with respect to any Party.

i. Exchange Water: Local Water or Import Water delivered to a Party in exchange for Entitlement Water. The quantity of Exchange Water delivered to a Party plus Deferred Exchange Water Credits earned by a Party shall be equal to the quantity of that Party’s Entitlement Water delivered to and used by the Management Committee.

j. Simultaneous Exchange: Delivery of Exchange Water substantially at the same time the Party’s Entitlement Water is being delivered to others. Unless otherwise provided in the rules adopted by the Management Committee, delivery of Simultaneous Exchange Water shall be at the same rate of flow and completed within 24 hours of the delivery of Entitlement Water.
k. Deferred Exchange: Delivery of Entitlement Water to others for a future delivery of Exchange Water. Deferred Exchange shall be made only as provided in Section 5f below.

l. Deferred Exchange Water Credit: A water credit for the quantity of Entitlement Water delivered to others in a Deferred Exchange.

m. Supplemental Water: Any water requested by and delivered to a Party other than said Party's Entitlement Water or Exchange Water.

n. Cooperative Water Project Facilities: Certain facilities constructed or to be constructed and owned and maintained by San Bernardino Valley Municipal Water District which shall be operated by the San Bernardino Valley Municipal Water District in accordance with the Project Manager's instructions to effectuate this Agreement, subject to the provisions of Section 15. These facilities are shown conceptually on Plate I herein.

o. Associated Water Facilities: Water facilities at or near the mouth of Santa Ana Canyon and Mill Creek owned by various Parties to this Agreement which shall be operated by the owners thereof in accordance with the Project Manager's instructions to effectuate this Agreement, as shown generally on Plates 2 and 3 herein.

p. Cooperative Water Project: Those facilities and the operational plan defined herein that permit the substitution of Exchange Water for Entitlement Water.

q. Historical Conditions: Methods and facilities used to take Entitlement Water into the respective distribution systems of the Parties prior to construction of the Cooperative Water Project Facilities.

r. Edison Company: The Southern California Edison Company, a corporation organized under the laws of the State of California.

s. Year: A calendar year unless specified otherwise.


3. ELIGIBLE ENTITIES

The following Entities shall be eligible to become Parties to this Agreement:

a. Bear Valley Mutual Water Company, a mutual water company, hereinafter referred to as "Bear Valley."

b. City of Redlands, a municipal corporation, hereinafter referred to as "Redlands."
c. Crafton Water Company, a mutual water company, hereinafter referred to as "Crafton."

d. East San Bernardino County Water District, a county water district organized and existing under the County Water District Law, Water Code Sections 30000, et seq, hereinafter referred to as "East San Bernardino." 

e. Lugonia Water Company, a mutual water company, hereinafter referred to as "Lugonia."

f. North Fork Water Company, a mutual water company, hereinafter referred to as "North Fork."

g. Redlands Water Company, a mutual water company, hereinafter referred to as "Redlands Water."

h. San Bernardino Valley Municipal Water District, a municipal water district organized and existing under the Municipal Water District Law of 1911, Water Code Sections 71000, et seq, hereinafter referred to as "Valley District."

i. San Bernardino Valley Water Conservation District, a water conservation district organized and existing under the Water Conservation District Law of 1931, Water Code Sections 74000, et seq, hereinafter referred to as "Conservation District."

j. Yucaipa Valley County Water District, a county water district organized and existing under the County Water District Law, Water Code Sections 30000, et seq, hereinafter referred to as "Yucaipa District."

4. CONSTRUCTION OF COOPERATIVE WATER PROJECT FACILITIES

Subject to availability of funds, to budgetary, supply, and construction restraints, and to obtaining necessary approvals, permits, and agreements, Valley District shall design and construct the Cooperative Water Project Facilities so as to provide for delivery of water at the maximum flow rates and at the delivery points hereinafter specified. Each of the Parties shall have reasonable opportunity to inspect and study the Valley District's plans and specifications for all Cooperative Water Project Facilities during the planning stage and prior to the solicitation of bids for the construction thereof and may make comments and recommendations thereon to Valley District. Valley District shall make all reasonable efforts to commence construction of the first increment of the Cooperative Water Project Facilities, which consist of the facilities listed in Exhibit D, on or before
April 1, 1977, and bring the first increment to completion with reasonable diligence thereafter. Construction of additional increments will be scheduled by Valley District on a basis of need to meet water demands as determined by Valley District in consultation with the Management Committee. The obligations of Valley District hereunder shall be subject to the following specific conditions:

   a. Facilities shown on Exhibit D which are required exclusively or primarily to deliver water to an Eligible Entity which does not become a Party to this Agreement by the effective date of this Agreement need not be built as a part of the first increment of the Cooperative Water Project Facilities nor at any subsequent time until the Eligible Entity shall become a Party.

   b. The construction of facilities which would be physically, legally, or economically usable only in the event of the conclusion of the agreement with Edison Company provided for in Section 10 hereof shall be contingent upon the satisfactory conclusion of such an agreement.

   c. The construction of facilities which are subject to a requirement of obtaining an approval or permit either for the construction of or for the use of such facilities shall be contingent upon obtaining such approval or permit in form satisfactory to Valley District. Valley District shall attempt to obtain all necessary approvals and permits with reasonable diligence.

   d. Valley District with the advice of the Management Committee will schedule the construction of the facilities listed in Exhibit D to keep expenditures within the funds available to Valley District for construction of said facilities.

5. DELIVERY PROVISIONS
   a. General

   Subject to the delivery of Exchange Water by the Management Committee to replace any Entitlement Water delivered pursuant hereto, each of the Parties having Entitlement Water hereby makes available to the Management Committee said Party's supply of Entitlement Water for delivery and use pursuant to the terms of this Agreement.

   East San Bernardino hereby makes available to the Management Committee, for exchange, water it is entitled to receive from North Fork by virtue of its ownership of North Fork stock. However, at such time as North Fork becomes a Party to this Agreement, East San Bernardino shall no longer be required to make the water from its stock ownership in North Fork available for exchange.
The Management Committee may cause delivery of water to be made to any Party entitled to and/or requesting said delivery from any source available to the Management Committee. In exercising its discretion hereunder, the Management Committee shall act on the basis of securing the maximum efficiency and economy in the use of the Local and Import Water supplies available to it.

All water deliveries shall be subject to:

1. Rules and regulations adopted by the Management Committee.
2. Scheduling requirements of the Management Committee.
3. Payment of any charge imposed therefor.
4. Limitations of available water supplies and capacity in the delivery facilities (including Valley District's Foothill Pipeline).

b. Import Water

Valley District hereby makes Import Water available to the Management Committee as scheduled for delivery and use as Exchange Water and Supplemental Water, subject to the availability of Import Water from the State Water Project, the equal rights of others within the boundaries of Valley District to receive Import Water, requirements for water service other than pursuant hereto, all of the requirements imposed by Valley District's contract with the State of California Department of Water Resources, and all applicable laws and regulations of water service.

c. Exchange Water and Supplemental Water

The Management Committee shall cause to be delivered to each of the Parties Exchange Water to replace any Entitlement Water made available by such Party and used by the Management Committee by Simultaneous Exchange, unless otherwise scheduled by the Party concerned and approved by the Management Committee. Exchange Water shall be delivered to each of the Parties at the points and up to the maximum instantaneous rates of flow specified in Exhibit B.

In addition to such deliveries, the Management Committee shall schedule Supplemental Water deliveries to any Party requesting the same.

d. Use of Cooperative Water Project Facilities to Convey Entitlement Water

A Party may request from the Management Committee delivery of any portion of its Entitlement Water through the Cooperative Water Project Facilities subject to availability of capacity in said facilities and to scheduling limitations.
Nothing in this Agreement shall be construed as authorizing the transport of Entitlement Water outside the boundaries of Valley District without prior approval of the Management Committee; however, in the case of a Party whose own boundaries extend beyond the boundaries of Valley District, that Party may transport Entitlement Water anywhere within its own boundaries.

e. Local Water

The Management Committee shall cause to be delivered to Valley District upon request Local Water if made available by a Party or Parties at flow rates, times, and at the delivery points specified by Valley District to the extent possible, using Cooperative Water Project Facilities, subject to Valley District delivering to the Management Committee an equal quantity of Import Water at the flow rates, times, and to delivery points as required to permit the Management Committee to make said delivery of Local Water to Valley District.

f. Deferred Exchange Water

All Parties with Deferred Exchange Water Credits shall be entitled to receive Deferred Exchange Water for such credits upon request. A Party's Deferred Exchange Water Credits shall be utilized by said Party within a two-year period subsequent to the accumulation of Deferred Exchange Water Credits, unless approved otherwise by the Management Committee.

g. Priorities

After provision for deliveries is made to Valley District and the San Gorgonio Pass Water Agency pursuant to Section 15 of this Agreement, then in case of scheduling, water availability, or facility constraints in any portion of the Cooperative Water Project Facilities, water deliveries in such portion shall be scheduled by the Management Committee on the following basis:

(1) First priority shall be given to Simultaneous Exchange Water.
(2) Second priority shall be given to Deferred Exchange Water.
(3) Third priority shall be given to Supplemental Water.
(4) Fourth priority shall be given to Entitlement Water delivered through Cooperative Water Project Facilities.
(5) Fifth priority shall be any use of the Cooperative Water Project Facilities by parties other than Eligible Entities.
h. Instructions

The Project Manager shall issue all instructions as directed by the Management Committee necessary to deliver water under the terms of this Agreement to the Parties using the Cooperative Water Project Facilities and the Associated Water Facilities.

6. MANAGEMENT

a. Management Committee

A Management Committee comprised of one person representing each of the Parties is hereby established.

(1) Duties: The Management Committee shall be responsible for:

(a) Setting operating rules, regulations, and policies not covered herein;
(b) Approving or disapproving requests for scheduling deliveries of water;
(c) Supervising the work of the Project Manager;
(d) Assisting in resolving disputes between Parties; and,
(e) Advising Valley District on pertinent design, construction, operations, and pricing policies.

(2) Appointments and Terms: Each of the members of the Management Committee shall be appointed by the Party he represents and shall serve at the pleasure of the appointing Party for a period of four (4) years and/or until appointment of a replacement. Notice of appointments shall be filed with the Project Manager. Members shall receive no compensation for their services; provided that in each case the appointing Party may provide such compensation as it deems appropriate.

(3) Quorum and Vote Required for Action: A majority of the members of the Management Committee not in default of this Agreement shall constitute a quorum for the transaction of business, and the vote of a majority of all of the members of the Committee shall be required to take any action.

(4) Officers: At its first meeting in each Year, the Management Committee shall select a chairman and such other officers as it may require. The Management Committee shall select a secretary who may be, but need not be, a member of the Management Committee. Said secretary shall keep an accurate record of all of its proceedings.
(5) Meetings and Notices: The Management Committee shall hold regular meetings at places and times to be specified in the rules to be adopted by the Management Committee. Notice of the scheduled or regular meetings and of any changes in time or place thereof shall be mailed to all persons who shall have filed a request therefor in writing with the Management Committee.

(a) Special meetings may be called at any time by the chairman or by any three (3) members of the Management Committee and shall be noticed as required by Government Code Section 54956.

(b) All meetings of the Management Committee shall be held in conformance with the requirements of Government Code Sections 54950, et. seq.

(6) Incurring of Expenses: Except as herein specifically provided, the Management Committee shall not be authorized to incur any expense on behalf of any or all of the Parties without the written consent of such Party or Parties.

b. Project Manager

Subject to the supervision of the Management Committee, the administration and management of the Cooperative Water Project Facilities shall be the responsibility of the Project Manager, which shall act as the executive arm of the Management Committee with the duty and responsibility to implement Management Committee rules, regulations, and policies and to direct the rate, time, place, and source of all water deliveries from the Cooperative Water Project Facilities and the Associated Water Facilities in accordance with the Management Committee’s instructions.

c. Administrative Expenses

Expenses of the Project Manager and expenses of the Management Committee, except compensation for the services of the Management Committee members, shall be paid by Valley District. Valley District’s payments for these expenses shall not exceed the budgeted amount set forth in an annual agreement between Valley District, the Project Manager, and the Management Committee without the consent of Valley District. Said agreement shall include terms and conditions of payment and rates of compensation for all services to be provided under said agreement.

7. OWNERSHIP AND OPERATION OF FACILITIES

Each of the Parties hereto shall retain the ownership of its own facilities together with full responsibility for their operation, maintenance, and replacement. The Associated
Water Facilities shall be operated in accordance with the Management Committee's instructions. The Cooperative Water Project Facilities shall be operated in accordance with the Project Manager's instructions to effectuate this Agreement, subject to the provisions of Section 15.

8. WATER QUALITY

All water delivered pursuant to this Agreement will be untreated and shall be of a quality suitable for its intended use, it being understood that suitability is to be determined by a rational method which includes consideration of the quality of the local water used prior to the adoption and implementation of this Agreement. This Agreement is adopted with the understanding that the present quality of Local, Exchange, Entitlement, Supplemental, and Import Water appears to be suitable for the intended uses. Each of the Parties agrees to operate its facilities so that the quality of the water is not impaired or degraded during diversion, transportation, or delivery.

If any Party is in violation of any water quality standards imposed on said Party by any governmental agency or unit because the quality of Exchange Water being delivered to said Party is lower than the quality of said Party's Entitlement Water, then said Party shall be entitled to revert to its Historical Conditions until the Exchange Water quality allows reasonable compliance with such standards.

9. RECORDS

Each Party hereto shall maintain such records and shall file such reports as may be reasonably required by the Management Committee and as may be required by law to protect any water rights affected hereby. In the event any of the Parties shall fail to maintain such records, the Management Committee may direct the Project Manager to estimate and maintain such records for such Party, and such Party shall be charged with the cost thereof.

The Project Manager shall be responsible for maintaining records on all water delivered pursuant to this Agreement.

The Management Committee shall have the right to measure flows of water as needed to satisfy the provisions of this Agreement; necessary access for said measurements will be provided without charge to the Management Committee by the Parties to this Agreement.
10. EDISON COMPANY AGREEMENTS

There are existing agreements between certain Parties to this Agreement and the Edison Company, including, but not limited to, a Grant Deed from Edison Company to Crafton dated February 27, 1929, and a Grant Deed from Crafton to Edison Company dated December 18, 1931. Valley District shall undertake with reasonable diligence to make the new arrangements and agreements with the Edison Company, Crafton and Bear Valley necessitated by the Cooperative Water Project Agreement and to use its best efforts therefor, provided that any such agreement which may in any way alter, modify, change, or affect the rights of any Party hereto under any existing agreements shall not be effective without the consent of such Party.

11. SHORTAGE OF SUPPLY OR TEMPORARY REDUCTION OR CESSATION OF DELIVERIES

a. Scheduled Shutdowns

Each of the Parties shall notify the Project Manager of a scheduled shutdown of any facility that would cause interruption of the Cooperative Water Project.

b. Interruption of Service

In the event of interruption of service in any portion of either the Cooperative Water Project Facilities or the Associated Water Facilities, the Project Manager may, to the extent possible, continue limited operations, and Parties whose delivery of Exchange Water has been interrupted will accrue Deferred Exchange Water Credit for such Exchange Water not delivered during the interruption of service, and such Deferred Exchange Water Credit shall not be subject to the two-year limitation stated in Section 5f but shall maintain its validity until used.

c. Temporary Discontinuance

If the Project Manager is unable to deliver quantities and qualities of water as provided for in this Agreement, it will immediately notify all the affected Parties that the Exchange Program is going to be temporarily discontinued until delivery schedules can be met or until the cause of the interruption is remedied.

After receiving notice of the temporary discontinuance of the Cooperative Water Project, each Party may revert to its Historical Condition.

When the Project Manager is again able to deliver the quantities and qualities of water as scheduled, it shall immediately notify the Parties and resume deliveries.
d. Continuity of Service

When it is necessary to interrupt service, the Project Manager and the Parties shall cooperate to minimize the down time and to restore service to all Parties as soon as possible.

12. BREACH

a. Right to Revert to Historical Conditions

In addition to any other remedies provided by law, in the event the terms and conditions of this Agreement are not complied with and there are no reasonable alternatives, any Party adversely affected by such breach and which is not itself in default may withhold delivery of its Entitlement Water and revert to its Historical Conditions until such breach is remedied.

b. Preliminary Determination of Serious Breach

A preliminary determination that such a breach has occurred may be made (1) by the Party concerned, with the concurrence of the Project Manager, or (2) without the concurrence of the Project Manager, in the manner hereinafter specified. In the event a Party claims such a breach has occurred and the Project Manager disagrees, the Party claiming breach has occurred shall poll other members of the Management Committee and, if any other two (2) members agree that such a breach has occurred, those members shall so certify to the Project Manager a breach has occurred. Immediately upon any preliminary determination that such breach has occurred, the Project Manager shall cause the Party claiming the breach to receive its Entitlement Water under Historical Conditions.

c. Rights to Judicial Relief Unaffected by Preliminary Determination

Nothing herein shall prevent any Party from seeking judicial relief either before or after any preliminary determination, and no preliminary determination shall be binding upon or affect the rights of any Party in connection with such a judicial proceeding.

13. WITHDRAWAL FROM THE COOPERATIVE WATER PROJECT AGREEMENT

No Party shall be entitled to withdraw from this Agreement without the written consent of all other Parties.
14. PROVISIONS WITH RESPECT TO PRESERVATION, TRANSFER, CONDEMNATION, AND DEFENSE OF WATER RIGHTS

With respect to the water rights to produce and use the Entitlement Water set forth in Exhibit A, it is agreed between the Parties hereto that the following shall apply:

a. Non-Use of Water

No Party hereto will lose any such water right by non-use, by use by another Party, by exchange, or by prescription.

b. Transfer

Each Party hereto may sell, mortgage, transfer, or otherwise alienate any such rights, provided that in the event of any such sale, transfer, foreclosure, or alienation of such rights, the transferee shall take such rights subject to the terms and conditions of this Agreement and shall be bound thereby. Prior to the consummation of any such sale, transfer, foreclosure, or alienation, the prospective transferee shall execute an instrument expressly assuming all of the obligations of the transferor under this Agreement with respect to such rights and deliver said instrument to the Management Committee. Until such instrument is so executed and delivered, such transaction shall be void.

c. Rights

The execution of this Agreement by the Parties hereto shall not be construed as constituting any alteration in the respective priorities or terms of any of the rights held by any of the Parties or any admission with respect to any of the rights or claims set forth herein. Between the Parties hereto the Management Committee shall consider that each Party has the rights claimed until otherwise instructed by the Party claiming such right or by the determination of the court with jurisdiction so to do.

d. Condemnation

Each of the Parties hereto, to the extent allowed by law, undertakes not to condemn or take, without consent of the owner thereof, any water rights, sources of water supply, water diversion, production or transmission facilities, or corporate stock owned by any Party hereto, which is subject to the terms of this Agreement, so long as the owner thereof is not in default hereunder.

e. Defense

Each of the Parties hereto shall be responsible for the defense of any rights claimed or asserted by it to produce and use the Entitlement Water set forth in Exhibit A hereto. As against anyone not a Party to this Agreement, Valley District shall defend this Cooperative Water Project Agreement and all rights arising from it.
f. Covenant and Lien

The provisions of this Agreement are hereby declared to be for the benefit of the water rights of the Parties hereto to produce and use the Entitlement Water set forth in Exhibit A. Said provisions are hereby made a covenant binding upon the owners of each such water right and their successors, heirs, transferees, and assigns for the benefit of the owners of each such other water right and their successors, heirs, transferees and assigns. The benefits and burdens of said covenant shall run with said water rights of the Parties hereto.

Each of the Parties hereto hereby grants a lien upon the said water rights to the other Parties hereto to secure its obligations hereunder, which lien shall be appurtenant to the said water rights of the other Parties hereto.

g. Successors and Assigns

Each and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the Parties hereto and their respective successors, heirs, transferees, and assigns.

h. None of the provisions of this Section 14 shall apply to or preclude Bear Valley from voluntarily or involuntarily transferring to Big Bear Municipal Water District, free and clear of any obligations of Bear Valley under this Agreement, all of the rights of Bear Valley to impound the natural water supply of Bear Valley behind Bear Valley Dam and later release such water which would otherwise flow in the Santa Ana River.

15. USE OF COOPERATIVE WATER PROJECT FACILITIES FOR DELIVERY OF WATER BY VALLEY DISTRICT

a. Use of Facilities

The Cooperative Water Project Facilities shall be available to Valley District for use as part of its water transmission facilities and may be used by it for the delivery of water to any Entity, whether a Party hereto or not.

b. San Gorgonio Pass Water Agency

Valley District has a contract with the San Gorgonio Pass Water Agency (Pass Agency) dated July 16, 1970, under which the Pass Agency has the option to obtain capacity in certain water transmission facilities constructed by Valley District and to receive deliveries of water or the right to operate the facilities, all upon the terms specified therein. The Cooperative Water Project Facilities to be constructed by Valley District constitute a portion of the water transmission facilities subject to the said contract, and in the event the Pass Agency exercises its option with respect thereto shall be constructed, maintained, and operated in compliance with the terms of the said contract.
SECTION 1611 of the CIVIL CODE

Ascertainment of Consideration:

When a contract does not determine the amount of the consideration nor the method by which it is to be ascertained or when it leaves the amount thereof to the discretion of an interested party, the consideration must be so much money as the object of the contract is reasonably worth.
16. WATER CHARGES AND PAYMENT PROVISIONS

Charges for water deliveries made under this Agreement and provisions for payment shall be as listed below.

Said charges shall be reasonable and shall conform to the applicable provisions of Section 1611 of the Civil Code, State of California.

a. Charge for Supplemental Water

The charges to be made by the Project Manager to any Party to this Agreement for Supplemental Water per acre-foot shall be computed by the following formula:

\[
\text{Supplemental Water Charge per Acre-Foot} = \begin{cases} 
E - S + C & \text{or} \\
E - S + P + L & \text{ whichever is greater}
\end{cases}
\]

where:

\[
E = \text{The variable operation, maintenance, power, and replacement component of the Department of Water Resources Transportation Charge per acre-foot* incurred by Valley District.}
\]

\[
S = \text{Direct water spreading costs per acre-foot spread by the Conservation District, not to exceed $3.00 per acre-foot.}
\]

\[
C = \text{Dollar amount equal to power generation credit per acre-foot from Devil Canyon power generation plant.}
\]

\[
P = \text{Cost of energy incurred by Valley District to convey Supplemental or Entitlement Water to said Party per acre-foot.}
\]

\[
L = \text{Power loss charges incurred by Valley District in conveying Supplemental or Entitlement Water to said Party per acre-foot.**}
\]

*As defined in Section 26 of the State Contract.

**Power loss charges are defined as those charges resulting from the loss of electric power generation from existing hydroelectric plants on Mill Creek and Santa Ana River.
If Valley District sets any charges upon a basis which, if applied, would result in a lower charge than is provided for above, then charges computed on said basis shall be substituted for the charges provided for above as long as said basis is in effect.

The charges for Supplemental Water provided for in this Agreement shall be in effect for a period beginning with the effective date of this Agreement and ending ten (10) years thereafter; beginning ten (10) years after the effective date of this Agreement the charges to Parties to this Agreement shall be as set by Valley District.

b. Simultaneous Exchange Water Charge

There are to be no charges made by the Project Manager to any Party for Simultaneous Exchange Water under the terms and conditions of this Agreement.

c. Deferred Exchange Water Charge

The charge to be made by the Project Manager to any Party to this Agreement for Deferred Exchange Water shall be the amount of all additional costs required to deliver water on the Deferred Exchange basis over and above the amount of the costs for making said deliveries on a Simultaneous Exchange basis.

d. Charges for Conveyance of Entitlement Water through Cooperative Water Project Facilities

Charges to be made by the Project Manager for the use of the Cooperative Water Project Facilities by Parties to this Agreement for conveyance of Entitlement Water shall be as follows: During the period beginning with the effective date of this Agreement and ending ten (10) years thereafter, $2.50 per acre-foot + P + L as P and L are defined above. Beginning ten (10) years after the effective date of this Agreement, these charges shall be as set by Valley District, except that they shall not exceed the following: The amount of all costs for making such deliveries including, but not limited to, operations, maintenance, energy, repair, replacement, overhead, and capital costs.

In the event the Management Committee with the approval of Valley District decides to convey all or any portion of the 9 cfs presently going from the forebay of Santa Ana Powerhouse No. 3 to the Boullioun Box through the Cooperative Water Project Facilities, that portion shall be exempt from any conveyance charge.
e. Provisions of Payment

Provisions for payment to the Project Manager by the Parties to this Agreement for water charges are as follows:

1. The Project Manager shall provide monthly invoices to each Party of monies due the Project Manager.

2. The Parties to this Agreement shall make payment to the Project Manager within thirty (30) days after receipt of said invoices.

3. The Project Manager shall remit to Valley District all payments received under this Section within five (5) days of receipt.

17. ADDITIONAL PARTIES

After the effective date of this Agreement, additional Entities may become Parties hereto upon application to and approval by the Management Committee and written consent of all of the Parties not in default of this Agreement.

18. AMENDMENTS

This Agreement may be amended at any time by written agreement signed by all of the Parties.

19. OPINIONS AND DETERMINATIONS

Where the terms of this Agreement provide for action to be based upon the opinion, judgment, approval, review, or determination of any Party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

20. NOTICE

Any notice pursuant hereto shall be deemed to have been properly given if delivered personally or if enclosed in a properly addressed envelope and deposited in the United States mail for delivery First Class, postage prepaid.

Unless and until formally notified otherwise, notice may be given to each of the Parties addressed as follows:
Bear Valley Mutual Water Company
101 East Olive Avenue
Redlands, California 92373

City of Redlands
P. O. Box 280
Redlands, California 92373

Crafton Water Company
P. O. Box 627
Mentone, California 92359

East San Bernardino County Water District
P. O. Box 3427
San Bernardino, California 92413

Lugonia Water Company
101 East Olive Avenue
Redlands, California 92373

North Fork Water Company
P. O. Box 3427
San Bernardino, California 92413

Redlands Water Company
101 East Olive Avenue
Redlands, California 92373

San Bernardino Valley Municipal Water District
P. O. Box 5906
San Bernardino, California 92412

San Bernardino Valley Water Conservation District
303 Brookside Avenue
Redlands, California 92373

Yucaipa Valley County Water District
P. O. Box 458
Yucaipa, California 92399

21. APPROVALS REQUIRED, EFFECTIVE DATE, AND MECHANICS OF EXECUTION

This Agreement shall become effective among the Parties executing the same sixty (60) days after it shall have been executed by the Conservation District, Valley District, Bear Valley, Crafton, Redlands, and Redlands Water.
This Agreement may be executed in counterparts so that the same copy need not be signed by each of the Parties hereto. Upon execution of each counterpart, said counterpart shall be delivered to the Conservation District and, when the required number of counterparts has been received, the Conservation District shall give notice to each of the Eligible Entities hereunder stating the date of execution of the last required counterpart and the date 60 days thereafter upon which the Agreement shall become effective. Upon such effective date, this Agreement shall become effective among all of the Eligible Entities which have executed said Agreement by said effective date, and the Conservation District shall attach all of the signature pages from the counterparts to one copy of the Agreement and shall mail a copy of the conformed Agreement to each of the Parties executing the same. From and after the effective date, any non-signatory Entity shall be eligible to become a Party hereto only in the manner provided in Section 17.
IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

DATED: May 5, 1976

BEAR VALLEY MUTUAL WATER COMPANY

By Donald C. Anderson
President

Betty Torgerson
Secretary

Approved:
Surr & Hellyer
By Robert Binsebach
Attorney

DATED May 6, 1976

SANTA ANA RIVER – MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976
STATE OF CALIFORNIA  )
COUNTY OF SAN BERNARDINO  ) ss.

On this 6th day of May, 1976, before me, the undersigned, a Notary Public in and for said County and State, personally appeared ROBERT J. BIERSCHEBACH, a member of the law firm of SURREY & HELLYER, known to me to be the person who executed the foregoing instrument on behalf of said law firm, and acknowledged to me that such law firm executed the same.

WITNESS my hand and official seal.

MOIRE E. ALEXANDER
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY

STATE OF CALIFORNIA  )
COUNTY OF SAN BERNARDINO  ) ss.

On this 6th day of May, 1976, before me, the undersigned, a Notary Public in and for said County and State, personally appeared DONALD C. S. ANDERSON, known to me to be the President, and BETTY FARQUHAR, known to me to be the Secretary, of BEAR VALLEY MUTUAL WATER COMPANY, a corporation, the corporation that executed the within instrument, and known to me to be the persons who executed said instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

PATRICIA L. MERRITT
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY
PrINCIPAL OFFICE IN
My Commission Expires October 2, 1979
IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

DATED: June 15, 1976

CITY OF REDLANDS

By

Mayor

By

City Clerk

Approved:

Attorney

State of California)
County of San Bernardino)

On June 15, 1976, before me, the undersigned, a Notary Public in and for said State, personally appeared Charles G. DeMirjyn, known to me to be the Mayor, and Peggy A. Moseley, known to me to be the City Clerk of the City of Redlands that execute the within Instrument, on behalf of the City of Redlands and acknowledged to me that the City of Redlands executed the within instrument pursuant to its City Council meeting of June 15, 1976.

WITNESS my hand and official seal.

Loretta C. Poyzer
DATED

Official Seal
LORETTA C. POYZER
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY
My Commission Expires June 3, 1977

SANTA ANA RIVER – MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976
IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

CRAFTON WATER COMPANY

BY Ralph A. Scheink
President

Peggy A. Jacinto
Secretary

Approved:

________________________________________
Attorney

DATED June 16, 1976

SANTA ANA RIVER – MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976
STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO } SS.

On June 16, 1976 before me, the undersigned, a Notary Public in and for said County and State, personally appeared Ralph F. Sechrest, known to me to be the President, and Peggy A. Jacinto, known to me to be Secretary of the corporation that executed the within Instrument, and acknowledged to me that such corporation executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

Signature

Alice E. Smith

Name (Typed or Printed)
Notary Public in and for said County and State
IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

EAST SAN BERNARDINO
COUNTY WATER DISTRICT

By: Philip A. Deich
President

Berrie A. Eastwood
Secretary

Approved:

Robert J. Ferraiuolo
Attorney

DATED August 9, 1976

SANTA ANA RIVER – MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT
MAY 3, 1976
STATE OF CALIFORNIA,
COUNTY OF SAN BERNARDINO

ON August 9, 1976, before me, the undersigned, a Notary Public in and for said State, personally appeared

Philip A. Disch, Bonnie R. Eastwood and 
Robert J. Farrell

known to me, to be the person(s) whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

Elisabeth Perkins
Notary Public in and for said State.
IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

LUGONIA WATER COMPANY

By

President

Betty Farquhar

Secretary

Approved:

Edwin R. Hales

Attorney

DATED May 20, 1976

STATE OF CALIFORNIA

County of San Bernardino

On May 20, 1976, before me, the undersigned, a Notary Public in and for said County and State, personally appeared G. R. REES, BETTY FARQUHAR and EDWIN B. HALES, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

EDWIN R. HALES, Notary Public

SANTA ANA RIVER – MILL CREEK

COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976
IN WITNESS WHEREOF, the parties do execute this Agreement herein by act
of their duly authorized representatives undersigned.

SANTA ANA RIVER - MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT
MAY 3, 1976

NORTH FORK WATER COMPANY

By  
President

Howard O. Hendricks
Secretary

Approved:

Attorney

Dated: 8-4-76

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

On AUGUST 4th, 1976
before me, the undersigned, a Notary Public in and
for said State, personally appeared

ARNOLD L. WRIGHT

known to me to be the President, and

HOWARD H. HEUDRICKS

known to me to be the Secretary of the Corporation that executed the instrument, and acknowledged to me that such corporation executed the instrument on behalf of the Corporation therein named, and

WITNESS my hand and official seal.

LEROY H. ROEBKE
NOTARY PUBLIC
SAN BERNARDINO COUNTY
CALIFORNIA
My Commission Expires May 11, 1979
On this 10th day of August, 1976, in the year one thousand nine hundred and seventy-six, before me, the undersigned, a Notary Public, State of California, duly commissioned and sworn, personally appeared Denslow Green known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the County of Madera, the day and year in this certificate first above written.

[Signature]
Notary Public, State of California

My commission expires 9-23-78

Cowdrey's Form No. 32—Acknowledgment—General (C. C. Sec. 1190a)
IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

REDLANDS WATER COMPANY

By ____________________________
President

______________________________
Secretary

Approved:

______________________________
Attorney

DATED _________________________

SANTA ANA RIVER – MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976
TO [449 C]
(Corporation)

STATE OF CALIFORNIA
COUNTY OF San Bernardino } SS.

On June 7, 1976 before me, the undersigned, a Notary Public in and for said State, personally appeared Lloyd Yarbrough
known to me to be the President, and Betty Farquhar
known to me to be the Secretary of the corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature ________________________________
Elaine V. Leathy

Name (Typed or Printed)

OFFICIAL SEAL
ELAINE V. LEATHY
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY
My Commission Expires April 11, 1977

(This area for official notarial seal)
IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By Lloyd F. Varenius
President

DeRoy McLaughlin
Secretary

Approved:

James W. Delworth
Attorney

DATED July 6, 1976

SANTA ANA RIVER – MILL CREEK COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976
STATE OF CALIFORNIA,
COUNTY OF SAN BERNARDINO

UNLESS

ON July 6 1976, before me, the undersigned, a Notary Public in and for said State, personally appeared

Lloyd Yount, LeRoy Holmes, and James W. Dilworth

known to me, to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

BRENDA M. MCCULLOUGH
Notary Public in and for said State.
IN WITNESS WHEREOF, the parties do execute this Agreement herein by act
of their duly authorized representatives undersigned.

SAN BERNARDINO VALLEY
WATER CONSERVATION DISTRICT

By

President

W. J. Hiltgen

Secretary

Approved:

Attorney

DATED June 7, 1976

STATE OF CALIFORNIA ]
COUNTY OF SAN BERNARDINO ] ss.

On June 7, 1976, before me, a Notary Public in and for said State, personally
appeared ROBERT T. PAINE, known to me to be the President, and W. J. HILTGEN,
known to me to be the Secretary, of SAN BERNARDINO VALLEY WATER CONSERVATION
DISTRICT, the corporation that executed the within instrument, and known to me
to be the persons who executed the within instrument on behalf of the said
corporation, and acknowledged to me that such corporation executed the same
pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

RICHARD A. MULLIGAN

NOTARY PUBLIC
SAN BERNARDINO COUNTY
CALIFORNIA
My Commission Expires October 30, 1977

SANTA ANA RIVER – MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976
STATE OF CALIFORNIA
 COUNTY OF SAN BERNARDINO

ON JUNE 7, 1976

before me, the undersigned, a Notary Public in and for said State, personally appeared

RICHARD A. MULLIGAN

personally known to me, and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

Sherry L. Tucker
Notary Public in and for said State.
IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

YUCAIPA VALLEY COUNTY WATER DISTRICT

By

President

Secretary

Approved:

Attorney

DATED August 26, 1976

SANTA ANA RIVER – MILL CREEK COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976
STATE OF CALIFORNIA
COUNTY OF San Bernardino

On August 26, 1976, before me, the undersigned, a Notary Public in and for said State, personally appeared

[Name]

known to me to be the
President, and

[Name]

known to me to be the
Secretary of the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the same, and acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

* WITNESS my hand and official seal.

(Signed)

JUNE I. HODGINS
NOTARY PUBLIC
PRINCIPAL OFFICE IN SAN BERNARDINO COUNTY
My Commission Expires Sept. 23, 1977

2207
MIS 3513 6-83* 19 Corporation Notarial Acknowledgment
ENTITLEMENTS TO WATER

Santa Ana River

The general features for conveying Santa Ana River water are shown on Plate 2 herein.

Edison Company diverts water from the Santa Ana River at the confluence of Bear Creek and the Santa Ana River. This use of water is based on an agreement with Bear Valley and a license issued to the Edison Company by the Federal Power Commission.

Water so diverted is conveyed by the Edison Company through a series of tunnels, flumes, and canals through Santa Ana Powerhouse No. 1 and Santa Ana Powerhouse No. 2 to the forebay of Santa Ana Powerhouse No. 3.

At the forebay to Powerhouse No. 3 Bear Valley takes delivery of up to nine (9) cfs, which is conveyed through the Bear Valley High Line (capacity controlled by Crafton Heights Pipeline Company).

The remaining water in the Edison Company facility is dropped through Powerhouse No. 3. At the tailrace of Powerhouse No. 3 certain quantities of water are delivered into the facilities of North Fork and certain quantities are delivered into the Redlands Canal of Bear Valley.

There is an agreement between North Fork and Bear Valley which sets forth the entitlements to water of the respective parties. Said agreement is recorded in the official records of San Bernardino County, State of California, Agreement File E, pages 178 - 187, dated July 3, 1885.

There is an agreement between Bear Valley and Lugonia (South Fork). This agreement sets forth the entitlement to water of the respective parties.

It is the intention of this Cooperative Water Project Agreement that the Management Committee and/or Parties to this Agreement will not do anything which will in any way diminish or interfere with the quantities of water each of the Parties referred to in the two agreements above is entitled to receive as its respective proportionate share of the available supply.

The Conservation District diverts storm flows and waters in excess of the needs of the aforementioned companies at the mouth of Santa Ana Canyon for the purpose
of spreading and percolating to replenish the groundwater supply. The diversion by the Conservation District is covered by Licenses Nos. 2831 and 2832 issued by the State of California.

Redlands Water diverts water from a tunnel at the mouth of Santa Ana Canyon. Water is conveyed from the tunnel to the Redlands Aqueduct via a pipeline located on the west side of Greenspot Road.

Mill Creek

The general features of conveying Mill Creek water are shown on Plate 3 herein. Edison Company diverts water from Mill Creek near Forest Home in Mill Creek Canyon. This use of water is based on agreements with certain water purveyors and a license issued to the Edison Company by the Federal Power Commission.

Water is conveyed through Edison Company facilities, including Mill Creek Powerhouses Nos. 3, 2, and 1.

After passing through Mill Creek Powerhouse No. 1, water is conveyed across Mill Creek to a point where it is divided; some going to Redlands, some to Crafton, and that portion above the needs of the two parties being returned to the channel of Mill Creek for spreading.

The amount of water each of the two Entities receives is based upon the ownership of "Zanja hours" per certain deeds and other factors as determined between Redlands and Crafton.

It is the intent of this Cooperative Water Project Agreement that the Management Committee and/or the Parties to this Agreement will not do anything which will in any way diminish or interfere with the quantities of water each of the Parties is entitled to receive as its respective proportionate share of the available supply.

The Conservation District has historically diverted stormflows and water in excess of the needs of Redlands and Crafton for the purpose of spreading and percolating to replenish the groundwater supply.
ENTITLEMENT WATER

MAXIMUM INSTANTANEOUS RATES OF FLOW AND DELIVERY POINTS

(See Plates 2 and 3 attached hereto.)

Maximum Instantaneous Rates of Flow

Redlands
Crafton

32 cfs together.

Bear Valley
Lugonia
North Fork

88 cfs together.

Conservation District

The maximum instantaneous rate of flow that would be available if there was no Cooperative Water Project and all Parties were operating under Historical Conditions.

Delivery Points

Redlands - Mill Creek

Into the influent pipeline into Redlands' Henry Tate Filter Plant at a point within the Plant site located south of Mill Creek Road in the Northeast Quarter of Section 22, T. 1 S., R. 2 W., SBB&M.

Crafton - Mill Creek

Into the Zanja near the Boullioun Box and into the influent pipeline into the Redlands' Henry Tate Filter Plant.

Conservation District - Santa Ana and Mill Creek

a. Mill Creek - In the channel of Mill Creek above the existing intake structure located on the south bank of Mill Creek in the Northeast Quarter of Section 21, T. 1 S., R. 2 W., SBB&M.
b. Santa Ana - The existing main canal of the Conservation District located on the south side of Greenspot Road in the Northeast Quarter of Section 7, T. 1 S., R. 2 W., SBB&M.

**North Fork and Bear Valley - Santa Ana**
At the existing North Fork Box located on the north side of the Conservation District main canal in the Southwest Quarter of the Southwest Quarter, Section 4, T. 1 S., R. 2 W., SBB&M, and up to 3 cfs at the East Highlands Company weir.

**Bear Valley and Lugonia - Santa Ana**
Into the Redlands Aqueduct above the Mentone Reservoir.

**Redlands Water - Santa Ana**
Into the Redlands Aqueduct above the Mentone Reservoir.

**East San Bernardino - Santa Ana**
Into the North Fork Canal at or above elevation 1720 feet.
DETERMINATION AND MEASUREMENT OF EXCHANGEABLE WATER

Santa Ana

The quantity of water in the Santa Ana River available for exchange shall be determined as follows:

The quantity of water measured at the USGS gage on the Edison Company canal located below the tailrace of Santa Ana Powerhouse No. 2.

The amount of Santa Ana River water available for exchange shall not exceed 88 cfs.

The quantity of water in the tunnel belonging to Redlands Water available for exchange shall be as measured at the tunnel outlet located on the west side of Greenspot Road at the mouth of Santa Ana Canyon.

Mill Creek

The quantity of water in Mill Creek available for exchange shall be determined as follows:

The quantity of water that would go through Edison Company's Mill Creek No. 1 hydro-plant if there were no upstream diversion.

The total amount of Mill Creek water available for exchange shall not exceed 32 cfs.
FACILITIES TO BE CONSTRUCTED AS THE FIRST INCREMENT OF THE COOPERATIVE WATER PROJECT

<table>
<thead>
<tr>
<th>Description</th>
<th>Minimum Capacity in cfs</th>
<th>Key Number on Plate 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Fork Canal Temporary Turnout</td>
<td>30</td>
<td>114</td>
</tr>
<tr>
<td>Pumping Plant No. 5</td>
<td>12</td>
<td>151</td>
</tr>
<tr>
<td>Pumping Plant No. 5 Discharge Line</td>
<td>12</td>
<td>152</td>
</tr>
<tr>
<td>Foothill Pipeline to Redlands Aqueduct Turnout</td>
<td>30</td>
<td>115</td>
</tr>
<tr>
<td>SBVMWD High Line</td>
<td>25</td>
<td>119</td>
</tr>
<tr>
<td>Pumping Plant No. 4 to Redlands</td>
<td>20</td>
<td>125</td>
</tr>
<tr>
<td>Connection to Redlands Tate Filter Plant</td>
<td>32</td>
<td>128</td>
</tr>
<tr>
<td>Crafton - Zanja Turnout</td>
<td>10</td>
<td>127</td>
</tr>
<tr>
<td>Turnout to Mill Creek above Conservation District Spreading Intake</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Pumping Plants and Pipelines Connecting SBVMWD Phase 2 Foothill Pipeline to SBVMWD High Line</td>
<td>As Needed</td>
<td>See Note 1</td>
</tr>
</tbody>
</table>

Note 1
Precise location to be determined in final design.
## FACILITY LIST

<table>
<thead>
<tr>
<th>Existing and Associated Water Facilities</th>
<th>Cooperative Water Project Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key Number</strong></td>
<td><strong>Facility Description</strong></td>
</tr>
<tr>
<td>1</td>
<td>North Fork Canal</td>
</tr>
<tr>
<td>2</td>
<td>SBVMWD Phase 2 Foothill Pipeline</td>
</tr>
<tr>
<td>3</td>
<td>North Fork Box</td>
</tr>
<tr>
<td>4</td>
<td>East Highlands Company Weir</td>
</tr>
<tr>
<td>5</td>
<td>SBVMWD Santa Ana Intake Headgate</td>
</tr>
<tr>
<td>6</td>
<td>SBVMWD Santa Ana Three Way Box</td>
</tr>
<tr>
<td>7</td>
<td>Edison Santa Ana No. 3 powerhouse and Tailrace</td>
</tr>
<tr>
<td>8</td>
<td>Redlands Aqueduct</td>
</tr>
<tr>
<td>9</td>
<td>SBVMWD Santa Ana Low Turnout</td>
</tr>
<tr>
<td>10</td>
<td>SBVMWD Santa Ana Distribution Canal</td>
</tr>
<tr>
<td>11</td>
<td>Mentone Reservoir</td>
</tr>
<tr>
<td>12</td>
<td>Redlands Water Tunnel</td>
</tr>
<tr>
<td>21</td>
<td>Edison Santa Ana No. 2 powerhouse</td>
</tr>
<tr>
<td>22</td>
<td>Bear Valley Santa Ana Canyon Well No. 2</td>
</tr>
<tr>
<td>23</td>
<td>Edison Santa Ana No. 3 Conduit</td>
</tr>
<tr>
<td>24</td>
<td>Edison Santa Ana No. 3 Forebay</td>
</tr>
<tr>
<td>25</td>
<td>Bear Valley High Line</td>
</tr>
<tr>
<td>26</td>
<td>Edison Mill Creek No. 2 Conduit</td>
</tr>
<tr>
<td>27</td>
<td>Edison Mill Creek No. 1 powerhouse and Tailrace</td>
</tr>
<tr>
<td>28</td>
<td>The Zanja East Weir</td>
</tr>
<tr>
<td>29</td>
<td>Redlands Tata Filter Plant</td>
</tr>
<tr>
<td>30</td>
<td>Boulion Box</td>
</tr>
<tr>
<td>31</td>
<td>SBVMWD Mill Creek Intake</td>
</tr>
<tr>
<td>32</td>
<td>The Zanja West Weir</td>
</tr>
<tr>
<td>33</td>
<td>Crafton Canal</td>
</tr>
<tr>
<td>34</td>
<td>Crafton Reservoir</td>
</tr>
<tr>
<td>41</td>
<td>Edison Mill Creek No. 2 Conduit</td>
</tr>
<tr>
<td>42</td>
<td>Edison Mill Creek No. 3 Conduit</td>
</tr>
<tr>
<td>43</td>
<td>Edison Mill Creek No. 2 &amp; No. 3 powerhouse and Tailrace</td>
</tr>
<tr>
<td>44</td>
<td>Edison Mill Creek No. 1 Stream Diversion Structures and Pipeline</td>
</tr>
<tr>
<td>45</td>
<td>Wilson Creek Spreading Basins</td>
</tr>
<tr>
<td>46</td>
<td></td>
</tr>
<tr>
<td>47</td>
<td></td>
</tr>
<tr>
<td>48</td>
<td></td>
</tr>
<tr>
<td>49</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td></td>
</tr>
<tr>
<td>51</td>
<td></td>
</tr>
<tr>
<td>52</td>
<td></td>
</tr>
<tr>
<td>53</td>
<td></td>
</tr>
<tr>
<td>54</td>
<td></td>
</tr>
<tr>
<td>55</td>
<td></td>
</tr>
<tr>
<td>56</td>
<td></td>
</tr>
<tr>
<td>57</td>
<td></td>
</tr>
<tr>
<td>58</td>
<td></td>
</tr>
<tr>
<td>59</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td></td>
</tr>
</tbody>
</table>

## GENERAL NOTES

1. All facilities needed for the ultimate development of the Santa Ana and Mill Creek Cooperative Water Project are shown on this Plate.
2. Locations of facilities shown on this Plate are conceptual, schematic and functional only. Final locations may be modified from those shown as a result of detailed design.
3. Alternative locations are shown for certain facilities. Evaluation and selection of alternatives will be made later as a part of detailed design.
4. Facilities will be built in increments to serve the needs of the Parties.

---

**BECHTEL INCORPORATED**

**SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT**

**WATER TRANSMISSION PROJECT**

**SANTA ANA RIVER AND MILL CREEK COOPERATIVE WATER PROJECT AGREEMENT CONCEPTUAL PLAN OF COOPERATIVE WATER PROJECT FACILITIES AND ASSOCIATED WATER FACILITIES**