



# San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

## **BOARD OF DIRECTORS MEETING AGENDA**

**Wednesday, September 9, 2020 – 1:30 p.m.**

In accordance with [Governor Newsom's Executive Order N-25-20 and N-29-20](#), this meeting is being conducted via teleconference/Zoom. Anyone wishing to join the meeting can join via

**Zoom: Call in (669) 900-6833, Meeting ID: 828 8194 1857**

To join the Zoom Meeting online: <https://zoom.us/j/82881941857>

**Note:** Copies of staff reports and other documents relating to the items on this agenda are on file at the District office and are available for public review during normal District business hours. New information relating to agenda topics listed, received, or generated by the District after the posting of this agenda, but before the meeting, will be made available upon request at the District office and in the Agenda Package on the Districts website. It is the intention of the San Bernardino Valley Water Conservation District to comply with the Americans with Disabilities Act (ADA) in all respects. If you need special assistance with respect to the agenda or other written materials forwarded to the members of the Board for consideration at the public meeting, or if as an attendee or a participant at this meeting you will need special assistance, the District will attempt to accommodate you in every reasonable manner. Please contact Athena Monge at (909) 793-2503 at least 48 hours prior to the meeting to inform her of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

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### **CALL TO ORDER PLEDGE OF ALLEGIANCE ROLL CALL**

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#### **1. PUBLIC PARTICIPATION**

*Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code.*

#### **2. ADDITIONS/DELETIONS TO AGENDA**

*Section 54954.2 provides that a legislative body may take action on items of business not appearing on the posted agenda under the following conditions: (1) an emergency situation exists, as defined in Section 54956.5; (2) a need to take immediate action and the need for action came to the attention of the District subsequent to the agenda being posted; and (3) the item was posted for a prior meeting occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.*

#### **3. CONSENT CALENDAR**

- A. Approval of Board Minutes, August 12, 2020 .....5
- B. Approval of Expenditure Report, August 2020.....12
- C. Groundwater Top Five Producers for January 1, 2020-June 30, 2020 .....20

1630 W. Redlands Blvd, Suite A  
Redlands, CA 92373  
Phone: 909.793.2503  
Fax: 909.793.0188  
www.sbvwd.org Email: info@sbvwd.org

#### **BOARD OF DIRECTORS**

Division 1:  
Richard Corneille

Division 2:  
David E. Raley

Division 3:  
Robert Stewart

Division 4:  
John Longville

Division 5:  
Melody McDonald

#### **GENERAL MANAGER**

Daniel B. Cozad

4. COMMITTEE REPORTS /ACTION ITEMS

Action Items

- A. UNAUDITED FINANCIAL REPORTS, August 2020 - 5 minutes (M#1734) .....21  
*Presenter: Daniel Cozad*  
*Recommendation:* Review and approve the unaudited financials for August 2020.
  
- B. GROUNDWATER LATE PAYER AND NON-RESPONDENTS AND INVESTIGATION LIST FOR GWA#54 - 5 minutes (M#1735).....27  
*Presenter: Daniel Cozad*  
*Recommendation:* Review, discuss and direct staff to continue to work with late payers and non-respondents for period of January 1, 2020 to June 30, 2020.
  
- C. RENEWAL OF LEASE WITH CEMEX MATERIALS, LLC - 10 minutes (M#1736).....29  
*Presenter: David Cosgrove*  
*Recommendation:* Review, discuss and consider approval of a thirty (30) year renewal of the District’s lease with Cemex Materials Pacific, LLC (“Cemex”) on terms summarized within Board memo.

5. INFORMATION ITEMS:

- A. Wash Plan Implementation Update – 5 Minutes
- B. Construction Projects Plunge/Creek Update – 5 Minutes
- C. General Manager’s Report and Monthly Recharge Report – 5 Minutes .....105
- D. Future Agenda Items & Staff Tasks

6. MONTHLY BOARD MEMBER MEETING REPORTS, AND/OR BOARD MEMBER COMMENTS

- A. Board Member Meeting Reports – 15 minutes

7. UPCOMING MEETINGS:

**\*Please note: All future District meetings may be held remotely via zoom. See Agendas for detailed information.**

- A. September 10, 2020 San Bernardino Valley Municipal Water District Policy Committee Workshop, 2:00 p.m. at Valley Municipal
  
- B. September 15, 2020 San Bernardino Valley Municipal Water District Board Meeting, 2:00 p.m. at Valley Municipal
  
- C. October 1, 2020 San Bernardino Valley Municipal Water District Resources Committee Workshop, 2:00 p.m. at Valley Municipal
  
- D. October 5, 2020 Basin Technical Advisory Committee, 1:30 p.m. at Valley Municipal

- E. October 6, 2020 San Bernardino Valley Municipal Water District Board Meeting, 2:00 p.m. at Valley Municipal
- F. October 7, 2020 San Bernardino Valley Conservation Trust, 1:30 p.m. at Conservation District
- G. October 8, 2020 Active Recharge Transfer Projects Policy Committee, 9:00 a.m. at Conservation District
- H. October 8, 2020 San Bernardino Valley Municipal Water District Policy Committee Workshop, 2:00 p.m. at Valley Municipal
- I. October 13, 2020 Big Bear Watermaster Committee, 1:30 p.m. at Conservation District
- J. October 13, 2020 San Bernardino Valley Municipal Water District Board Meeting, 2:00 p.m. at Valley Municipal
- K. October 14, 2020 Conservation District Board Meeting, 1:30 p.m. at Conservation District
- L. October 15, 2020 Advisory Commission on Water Policy, 6:30 p.m. at Valley Municipal

**8. CLOSED SESSION**

1. The Board will meet in Closed Session under authority of Government Code §54956.9 (a), in order to discuss existing litigation, Endangered Habitats League et al. vs. U.S. Army Corps of Engineers, Central District Court Case no. Case No.: 2:16-cv-09178-MWF-E.
2. The Board will meet in closed session under authority of Government Code §54956.8 regarding the potential renewal of lease of various properties located within section 11 and 12 more specifically described in “Mineral Lease for Extraction of Sand and Gravel Materials” dated November 1, 2011. The discussion will concern the price and terms of a potential renewal of the lease. The District’s negotiators are Daniel Cozad and David Cosgrove. The party with whom the District will negotiate is Cemex Materials Pacific, LLC, and its negotiators are Sean Palmer and Christine Jones.
3. The Board may convene in Closed Session for Conference to discuss Real Property Negotiations pursuant to Government Code §54956.8; Owner: Southern California Edison East End Hydroelectric Generation Plant property located on various parcels and easements in Mill Creek and Santa Ana River Canyons, Negotiator: Daniel Cozad and David Cosgrove Owner: Southern California Edison Negotiators Allison, Bahen, Property Manager and Steven Powell, Vice President.
4. The Board may convene in Closed Session for Conference to discuss Real Property Negotiations pursuant to Government Code §54956.8; Owner: Robertsons Ready Mix for property located on parcel No. 0167011170000. Negotiators: Daniel Cozad and David Cosgrove Owner: Robertsons’s Anthony Edwards.
5. The Board may convene in Closed Session for Conference to discuss Real Property Negotiations pursuant to Government Code §54956.8; Owner: San Bernardino County Flood Control District for parcels or easements as part of the Active Recharge Transfer Projects. Negotiators: Daniel Cozad and David Cosgrove Owner: SBCFCD David Doublet.

9. **ADJOURN MEETING.** The next regularly scheduled Board of Directors Meeting will be on October 14, 2020 at 1:30 p.m., location to be determined.

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS MEETING

MINUTES OF August 12, 2020  
1:30 p.m.

President Corneille called the meeting of the Board of Directors to order at 1:37 p.m. by teleconference and Zoom meeting; all those in attendance stood for the pledge of allegiance led by Director Raley.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President  
Melody McDonald, Vice President  
David E. Raley, Director  
Robert Stewart, Director  
John Longville, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker

STAFF PRESENT:

Daniel Cozad, General Manager  
Betsy Miller, Land Resources Manager/Assistant General Manager  
Erwin Fogerson, Senior Engineer/Project Manager  
Athena Monge, Administrative Specialist  
Katelyn Scholte, Assistant Engineer

GUESTS PRESENT:

T. Milford Harrison, San Bernardino Valley Municipal Water District  
June Hayes, San Bernardino Valley Municipal Water District  
Gil Navarro, San Bernardino Valley Municipal Water District  
David E. Smith, East Valley Water District  
Chris Palmer, California Special Districts Association

1. PUBLIC PARTICIPATION

President Corneille announced that any person present, who so desired, may make an oral presentation to the Board of Directors. There being none, the meeting continued with the posted agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were none.

### 3. PRESENTATION

Chris Palmer of California Special Districts Association (CSDA) provided a brief legislative update. He also congratulated the District for the record recharge made possible by the implementation of the Groundwater Council and indicated that the District received the 2020 CSDA "Innovative Program of the Year Award" in the small district category. The Board thanked Mr. Palmer for the award and presentation.

### 4. CONSENT CALENDAR

President Corneille presented this item for discussion. Director Stewart noted that the revised Board minutes of July 8 were sent out via email and that those are the minutes being approved today.

**It was moved by Vice President McDonald and seconded by Director Longville to approve the Consent Calendar: Item A: Board Minutes, July 8, 2020, as revised, Item B: Expenditure Report, July 2020, and Item C: Groundwater Assessment Report, 01/01/2020-06/30/2020. The motion carried 5-0 with all Board members present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Stewart: Yes**

### 5. COMMITTEE REPORTS/ACTION ITEMS

#### A. FINANCE & ADMINISTRATION COMMITTEE VERBAL REPORT

Director Raley indicated that the 4<sup>th</sup> Quarter Unaudited Financial Reports for 2019-2020 were reviewed at the July 22 Finance & Administration Committee. He also noted that the District did not utilize as many reserves as anticipated during the fiscal year 2019-2020 due to a delay in projects being completed. Director Raley stated that he is proud of the District and staff for how they have been maintaining the Districts' finances. This item was received and filed.

#### B. 4<sup>TH</sup> QUARTER UNAUDITED FINANCIAL REPORTS FOR FY 2019-2020

Mr. Cozad stated that the 4<sup>th</sup> Quarter Unaudited Financial Reports for FY 2019-2020 are reflected on a cash basis and give the Board a view of the operating year that was implemented. The difference between the unaudited and audited financials is that the audited financials include accruals that occur during the fiscal year, such as multi-year expenses. Vice President McDonald noted that several expense areas came in under budget, including directors' expenses. Mr. Cozad indicated that having Ms. Miller and Mr. Fogerson on staff alleviated the need to hire outside consultants, resulting in savings in the Professional Services category. Director Longville stated that he is pleased with staffs' performance. President Corneille suggested that the Board recommend nominating Mr. Cozad for the CSDA and/or ACWA General Manager of the Year award.

**It was moved by Director Longville and seconded by Director Raley to approve the 4<sup>th</sup> Quarter Unaudited Financial Reports for FY 2019-2020 as presented. The motion carried 5-0 with all Board members present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Stewart: Yes**

**C. AD HOC COMMITTEE VERBAL REPORT**

Director Raley stated that Rogers, Anderson, Malody, and Scott (RAMS) are auditing both the District and Conservation Trust financials. RAMS is also reviewing the transfers between both entities to ensure they are being handled efficiently. Mr. Cozad said that the audit would likely be ready for approval in October. The Conservation Trust will meet to approve their audit and then it would be available for the Board to review. President Corneille requested a copy of the Trust audit.

**D. UNAUDITED FINANCIAL REPORTS, JULY 2020**

Mr. Cozad introduced this item for discussion, noting its inclusion on package pages 44 to 49. It does not show very many expense entries for the year. However, during the month of August, the Plunge Creek Project was initiated, so those expenses will be reflected in upcoming financial reports. The District will be able to submit these expenses for reimbursement through the grant through the Santa Ana Watershed Project Authority. Mr. Cozad said that there are changes in investments since the interest rates have decreased. President Corneille noted that both Director Stewart and he are unopposed during this election, and there will be no election fees (budgeted at \$100,000) for this fiscal year.

**It was moved by Director Longville and seconded by Vice President McDonald to approve the Unaudited Financial Reports for July 2020. The motion carried 5-0 with all Board members present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Stewart: Yes**

**E. WASH PLAN REMAINING PERMITS PROFESSIONAL SERVICES CONTRACT AWARD**

Ms. Miller introduced this item for discussion. Staff is moving at the request of the Wash Plan Task Force to obtain the remaining permits for the Wash Plan. These permits include the State Lake and Streambed Alteration (Fish and Game Code Section 1602), California Endangered Species Act (Fish and Game Code Section 2081), and Clean Water Act implemented by both state and federal agencies. Staff met with the Task Force in April, and they indicated a desire to jointly permit their covered activities with the exception of Valley Municipal's Enhanced Recharge project, which will be permitted separately. Staff released a Request for Proposal (RFP) for expert technical consulting services to pursue these permits.

There were seven proposals received, and five firms were interviewed. On August 3, the Task Force selected AECOM to be recommended to the District Board. The cost of the agreement is estimated to be \$295,576, which includes \$66,420 for optional tasks staff believes may be necessary to respond to regulatory agency requests. The majority of these costs will be reimbursed by the Task Force members; the District's actual cost share is 0.12%, which equates to \$236 for the permitting strategy portion of this agreement. Ms. Miller is working with District counsel to finalize the agreement in standard form. Director Raley asked if the money reimbursed by the Task Force is considered income to the District. Mr. Cozad said that the audit has shown it separately as a reimbursement. President Corneille asked for the contract cost for the permitting strategy alone and the timeframe that it will be completed. Ms. Miller said that it is estimated to be around \$70,000 and is to be completed by November 2020. President Corneille asked if there is potential for costs to increase. Ms. Miller indicated that future costs may increase depending on what permitting strategy is selected by the Task Force. Fees will vary based on the activity and the type of permit selected. District Counsel said that the contract requires monthly invoicing and costs are separated by task; allocated cost limits are shown per task and if the consultant needs more funds they would need approval by District and Task Force. Mr. Cozad said that the costs for the District for strategy are minimal, but the costs for permits in phase two will be higher than the 0.12%.

**It was moved by Director Raley and seconded by Vice President McDonald to accept the proposal of AECOM, and authorize the General Manager and District Counsel to prepare and execute a Professional Consultant Services Agreement substantially consistent with the AECOM proposed scope of work and District's standard professional service agreement in an amount not to exceed \$295,573. The motion carried 5-0 with all Board members present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Stewart: Yes**

## 6. INFORMATION ITEMS

### A. WASH PLAN IMPLEMENTATION UPDATE

Mr. Cozad said that meetings were held with the Bureau of Land Management (BLM), and those efforts are ongoing. Mr. Cosgrove said that he has been working with the Appraisal and Valuation Services Office (AVSO) on the appraisal, and the land exchange appraisal RFP was sent out, and responses were due July 17. There were no responses received, and District Counsel is working to refine RFP. District Counsel is working with the title company and CEMEX on title exceptions. This item was received and filed.

### B. CONSTRUCTION PROJECTS PLUNGE/MILL/ARTP VERBAL UPDATE

Mr. Fogerson reviewed Plunge Creek maps prepared by Ms. Scholte. The contractors have rough graded and put in wildlife exclusion fencing. He described channel work being done and the daily inspection reports. Ms. Scholte oversees construction in the field in the mornings, and Mr. Fogerson oversees the construction in the field in the afternoon. Ms. Miller is managing the

permits and coordinating with regulatory agencies. Mr. Fogerson said that the project is on track to complete on time. President Corneille requested a tour of the Plunge Creek Project. Mr. Fogerson suggested that the tour be held late in the day so that temperatures are cooler and there is less construction traffic. Mr. Cozad said that Southern California News Group ran an article on the San Bernardino Kangaroo Rat (SBKR) and Plunge Creek Project, which received a wide range of coverage. There was also a videographer out to document the work, which was coordinated by Ms. Miller. This item was received and filed.

#### C. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Mr. Cozad indicated that the written General Manager's Report was included in the Board package on pages 67 through 70. President Corneille asked if the State Water Project (SWP) allocation was received. Mr. Cozad said that for 2020 the allocation was 20% with most water going to direct use. He indicated that due to the pandemic, staff continues to work remotely and rotate shifts in the office. The Active Recharge Transfer Project (ARTP) status report is included on package pages 71 to 79. Mr. Cozad reviewed the maps shown on package pages 75 and 76, referred to as Robertson's Plunge Creek Quarry. Robertson's will mine them, and the District Counsel is working with them to develop a purchase and sale agreement. This agreement would reduce the habitat take associated with a new recharge basin for the District while allowing Robertson's increased aggregate removal from the quarry. Staff is working on a Memorandum of Understanding (MOU) with the Flood Control District related to the Plunge Creek Quarry that will likely come to the Board for review and approval in the next few months. Mr. Cozad said the Exchange Plan Committee is working to finalize updates to the agreement in September. U.S. Fish and Wildlife Service (USFWS) and California Department of Fish & Wildlife (CDFW) have requested the San Diego Zoo Institute for Conservation Research trap and relocate 20-30 SBKR from Wash Plan Covered Activity footprints to the San Jacinto Preserve in support of a state/federal research grant. There is low diversity among the San Jacinto Preserve, and they are hoping that by introducing SBKR into that habitat that they will colonize and increase the diversity. The District will issue the Zoo an Access Permit to accomplish this work. President Corneille asked for the Access Permit to release the District from liability as it relates to the endangered species. Vice President McDonald asked if we will get any SBKR back to ensure the Wash Plan population is thriving as well. Mr. Cozad indicated that we requested CDFW and USFWS prioritize relocating displaced SBKR to the Wash Plan Preserve in the future. USFWS and CDFW have indicated that they will try to meet this request but are unable to guarantee it. The standard language of the Access Permit contains indemnifications and the District has asked for letters of support from the agencies and all applicable permits from the Zoo. The Outreach Update presentation is included on package pages 80 to 91. The Monthly Recharge Report was included on package page 92. This item was received and filed.

#### D. FUTURE AGENDA ITEMS AND STAFF TASKS

Staff will work with the Board to set up a date for the Plunge Creek Project Field tour. The next Conservation Trust meeting will be held on October 7. Director Stewart asked if the District has a contingency plan related to the fires and the impacts they have on our watershed. Mr. Cozad indicated that staff will provide a report on the previous fire and how they operated the

watershed. Field staff actively manage flows and allow fire impacted flows to pass whenever possible.

7. MONTHLY BOARD MEMBER MEETING REPORTS, AND/OR BOARD MEMBER COMMENTS

Director Stewart attended the ARTP Policy Committee meeting on July 9, the Conservation Trust Board meeting on July 13, and the Big Bear Watermaster (BBWM) Committee meeting on July 15. He also attended the Finance & Administration Committee on July 22.

Director Raley attended the ARTP Policy Committee meeting on July 9, the Conservation Trust Board meeting on July 13, Valley Municipal Engineering Workshop on July 14, and the BBWM Committee meeting on July 15. He attended the Finance & Administration Committee meeting on July 22, Valley Municipal Board meeting on July 21, and Valley Municipal Board meeting on August 4. He attended the Valley Municipal Resources Workshop on August 6 and Ad Hoc Audit Committee on August 3. He came into the District to sign expenditures on July 16 and 17.

Director Longville attended the Conservation Trust Board meeting on July 13, the Finance & Administration Committee on July 22, and Valley Municipal Board Meeting on July 21. He attended the Ad Hoc Audit Committee on August 3 and the Valley Municipal Board meeting on August 4.

President Corneille attended the ARTP Policy Committee meeting on July 9, chaired the Advisory Commission on July 16, and attended the Association of California Water Agencies (ACWA) Virtual Conference from July 29 to July 30. He attended the ACWA Groundwater Committee meeting on August 5 and attended the Wash Plan Virtual Celebration on August 3.

Vice President McDonald attended the ARTP Policy Committee meeting on July 9, Valley Municipal Engineering Workshop on July 14, and Valley Municipal Board meeting on July 21. She attended the Finance & Administration Committee on July 22, the ACWA State Legislative meeting on July 24, and the ACWA/JPIA Board and ACWA Virtual Conference. She attended the Wash Plan Virtual Celebration on August 3, Valley Municipal Board Meeting on August 4, and Valley Municipal Special Board meeting on August 5.

8. UPCOMING MEETINGS

There were non discussed.

9. CLOSED SESSION

**It was moved by Vice President McDonald and seconded by President Corneille to adjourn to Closed Session. The motion carried with all directors present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes**

**Director Longville: Yes  
Director Raley: Yes  
Director Stewart: Yes**

General Counsel announced that the meeting would adjourn to closed session under item 2 posted on the published agenda.

At 3:27 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted while in Closed Session under Government Code section 54957.1 that there was no reportable action.

10. ADJOURN MEETING

**It was moved by Director Longville and seconded by President Corneille to adjourn. The motion carried 5-0 with all Directors present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Stewart: Yes**

At 3:29 p.m., the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on September 9, 2020, via zoom.

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Daniel B. Cozad  
General Manager

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**August 2020**

09/02/20

Num	Date	Name	Account	Class	Original Amount
PC 08.12.20	08/12/2020	Paychex	1012 · Citizens Busine...		<b>-91.48</b>
			6042 · Payroll Processing	4-General Fund Ent.	91.48
TOTAL					91.48
PC 08.26.21	08/26/2020	Paychex	1012 · Citizens Busine...		<b>-88.60</b>
			6042 · Payroll Processing	4-General Fund Ent.	88.60
TOTAL					88.60
22464	08/06/2020	AAA Alarm Systems, Inc.	1012 · Citizens Busine...		<b>-387.00</b>
	07/01/2020		5410 · Alarm Service	4-General Fund Ent.	64.50
			5410 · Alarm Service	1-Groundwater Ent.	64.50
	08/01/2020		5410 · Alarm Service	4-General Fund Ent.	129.00
			5410 · Alarm Service	1-Groundwater Ent.	129.00
TOTAL					387.00
22465	08/06/2020	Aaron Pederson	1012 · Citizens Busine...		<b>-35.00</b>
	07/31/2020		6018 · Janitorial Services	4-General Fund Ent.	35.00
TOTAL					35.00
22466	08/06/2020	ACWA/JPIA-Health	1012 · Citizens Busine...		<b>-18,777.39</b>
	07/31/2020		6110 · Vision Insurance	4-General Fund Ent.	27.68
			6110 · Vision Insurance	1-Groundwater Ent.	95.82
			6110 · Vision Insurance	2-Redlands Plaza/...	8.52
			6110 · Vision Insurance	3-Land Resources	21.29
			6110 · Vision Insurance	5-Wash Plan	44.72
			6110 · Vision Insurance	6-Active Recharge ...	14.91
			6130 · Dental Insurance	4-General Fund Ent.	113.81
			6130 · Dental Insurance	1-Groundwater Ent.	393.97
			6130 · Dental Insurance	2-Redlands Plaza/...	35.02
			6130 · Dental Insurance	3-Land Resources	87.55
			6130 · Dental Insurance	5-Wash Plan	183.85
			6130 · Dental Insurance	6-Active Recharge ...	61.28
			6150 · Medical Insurance	4-General Fund Ent.	2,299.57
			6150 · Medical Insurance	1-Groundwater Ent.	7,960.03
			6150 · Medical Insurance	2-Redlands Plaza/...	707.56
			6150 · Medical Insurance	3-Land Resources	1,768.90
			6150 · Medical Insurance	5-Wash Plan	3,714.68
			6150 · Medical Insurance	6-Active Recharge ...	1,238.23
TOTAL					18,777.39
22467	08/06/2020	American Power Security	1012 · Citizens Busine...		<b>-720.00</b>
	08/01/2020		6026 · Redlands Plaza ...	2-Redlands Plaza/...	720.00
TOTAL					720.00
22468	08/06/2020	Castro Landscaping Se...	1012 · Citizens Busine...		<b>-250.00</b>
	07/30/2020		6026 · Redlands Plaza ...	2-Redlands Plaza/...	250.00
TOTAL					250.00

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**August 2020**

Num	Date	Name	Account	Class	Original Amount
<b>22469</b>	<b>08/06/2020</b>	<b>Citizens Business Bank</b>	<b>1012 · Citizens Busine...</b>		<b>-1,542.72</b>
	07/13/2020		5310 · Vehicle Mainten...	1-Groundwater Ent.	818.92
			6002 · Website Adminis...	4-General Fund Ent.	365.00
			6015 · Mentone House ...	2-Redlands Plaza/...	250.00
			6030 · Office Supplies	4-General Fund Ent.	27.54
			6030 · Office Supplies	1-Groundwater Ent.	1.72
			6030 · Office Supplies	2-Redlands Plaza/...	3.45
			6030 · Office Supplies	3-Land Resources	1.72
			6039 · Postage and Ov...	4-General Fund Ent.	3.61
			6039 · Postage and Ov...	1-Groundwater Ent.	1.64
			6039 · Postage and Ov...	2-Redlands Plaza/...	0.66
			6039 · Postage and Ov...	3-Land Resources	0.66
			6060 · Outreach	4-General Fund Ent.	5.00
			6060 · Outreach	1-Groundwater Ent.	2.00
			6060 · Outreach	3-Land Resources	3.00
			6525 · Meals	4-General Fund Ent.	57.80
TOTAL					1,542.72
<b>22470</b>	<b>08/06/2020</b>	<b>Day Lite Maintenance, I...</b>	<b>1012 · Citizens Busine...</b>		<b>-288.00</b>
	05/01/2020		6026 · Redlands Plaza ...	2-Redlands Plaza/...	144.00
	07/01/2020		6026 · Redlands Plaza ...	2-Redlands Plaza/...	144.00
TOTAL					288.00
<b>22471</b>	<b>08/06/2020</b>	<b>Edison - 8812</b>	<b>1012 · Citizens Busine...</b>		<b>-263.70</b>
	08/01/2020		5420 · Electricity	4-General Fund Ent.	73.84
			5420 · Electricity	1-Groundwater Ent.	52.74
			5420 · Electricity	2-Redlands Plaza/...	137.12
TOTAL					263.70
<b>22472</b>	<b>08/06/2020</b>	<b>Edison - Redlands Plaza</b>	<b>1012 · Citizens Busine...</b>		<b>-237.20</b>
	08/01/2020		6026 · Redlands Plaza ...	2-Redlands Plaza/...	237.20
TOTAL					237.20
<b>22473</b>	<b>08/06/2020</b>	<b>Empire Disposal</b>	<b>1012 · Citizens Busine...</b>		<b>-171.67</b>
	07/31/2020		5460 · Water / Trash / S...	4-General Fund Ent.	85.83
			5460 · Water / Trash / S...	1-Groundwater Ent.	68.67
			5460 · Water / Trash / S...	3-Land Resources	17.17
TOTAL					171.67
<b>22474</b>	<b>08/06/2020</b>	<b>Frontier-4860</b>	<b>1012 · Citizens Busine...</b>		<b>-482.80</b>
	07/28/2020		5440 · Telephone	4-General Fund Ent.	236.47
			5440 · Telephone	1-Groundwater Ent.	101.34
			5470 · Internet Services	4-General Fund Ent.	72.50
			5470 · Internet Services	1-Groundwater Ent.	43.50
			5470 · Internet Services	2-Redlands Plaza/...	7.25
			5470 · Internet Services	3-Land Resources	21.74
TOTAL					482.80

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**August 2020**

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Original Amount</u>
<b>22475</b>	<b>08/06/2020</b>	<b>Frontier-7275</b>	<b>1012 · Citizens Busine...</b>		<b>-154.56</b>
	07/19/2020		5440 · Telephone	4-General Fund Ent.	55.70
			5440 · Telephone	1-Groundwater Ent.	23.87
			5470 · Internet Services	4-General Fund Ent.	37.50
			5470 · Internet Services	1-Groundwater Ent.	22.50
			5470 · Internet Services	2-Redlands Plaza/...	3.75
			5470 · Internet Services	3-Land Resources	11.24
TOTAL					154.56
<b>22476</b>	<b>08/06/2020</b>	<b>IERCD</b>	<b>1012 · Citizens Busine...</b>		<b>-8,048.18</b>
	06/30/2020		6060 · Outreach	4-General Fund Ent.	392.00
			6060 · Outreach	1-Groundwater Ent.	280.00
			6060 · Outreach	3-Land Resources	372.40
			6060 · Outreach	5-Wash Plan	75.60
	07/22/2020		5215 · Property Mainten...	1-Groundwater Ent.	5,542.54
			5215 · Property Mainten...	3-Land Resources	1,385.64
TOTAL					8,048.18
<b>22477</b>	<b>08/06/2020</b>	<b>JAN-PRO Cleaning Sys...</b>	<b>1012 · Citizens Busine...</b>		<b>-700.00</b>
	08/01/2020		6018 · Janitorial Services	4-General Fund Ent.	700.00
TOTAL					700.00
<b>22478</b>	<b>08/06/2020</b>	<b>Netsteller</b>	<b>1012 · Citizens Busine...</b>		<b>-450.00</b>
	08/02/2020		5160 · IT Support	4-General Fund Ent.	180.00
			5160 · IT Support	1-Groundwater Ent.	225.00
			5160 · IT Support	3-Land Resources	45.00
TOTAL					450.00
<b>22479</b>	<b>08/06/2020</b>	<b>NoHo Constructors</b>	<b>1012 · Citizens Busine...</b>		<b>-12,155.81</b>
	07/24/2020		7055 · Plunge Creek Ex...	3-Land Resources	12,155.81
TOTAL					12,155.81
<b>22480</b>	<b>08/06/2020</b>	<b>Nossaman LLP</b>	<b>1012 · Citizens Busine...</b>		<b>-164.50</b>
	07/22/2020		5120 · Misc. Profession...	4-General Fund Ent.	49.35
			5120 · Misc. Profession...	1-Groundwater Ent.	34.55
			5120 · Misc. Profession...	3-Land Resources	80.60
TOTAL					164.50
<b>22481</b>	<b>08/06/2020</b>	<b>Patton Sales Corp</b>	<b>1012 · Citizens Busine...</b>		<b>-43.56</b>
	07/22/2020		5210 · Equipment Maint...	1-Groundwater Ent.	18.43
			5310 · Vehicle Mainten...	1-Groundwater Ent.	25.13
TOTAL					43.56

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**August 2020**

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Original Amount</u>
<b>22482</b>	<b>08/06/2020</b>	<b>Quill Corporation</b>	<b>1012 · Citizens Busine...</b>		<b>-130.44</b>
	07/09/2020		6030 · Office Supplies	4-General Fund Ent.	104.35
			6030 · Office Supplies	1-Groundwater Ent.	6.52
			6030 · Office Supplies	2-Redlands Plaza/...	13.05
			6030 · Office Supplies	3-Land Resources	6.52
TOTAL					130.44
<b>22483</b>	<b>08/06/2020</b>	<b>ReadyRefresh by Nestle</b>	<b>1012 · Citizens Busine...</b>		<b>-85.18</b>
	07/24/2020		5460 · Water / Trash / S...	4-General Fund Ent.	42.59
			5460 · Water / Trash / S...	1-Groundwater Ent.	34.07
			5460 · Water / Trash / S...	3-Land Resources	8.52
TOTAL					85.18
<b>22484</b>	<b>08/06/2020</b>	<b>Smart &amp; Final</b>	<b>1012 · Citizens Busine...</b>		<b>-45.50</b>
	07/30/2020		6425 · Meals	4-General Fund Ent.	9.10
			6525 · Meals	4-General Fund Ent.	16.38
			6525 · Meals	1-Groundwater Ent.	12.74
			6525 · Meals	3-Land Resources	7.28
TOTAL					45.50
<b>22485</b>	<b>08/06/2020</b>	<b>Thomas Purvis</b>	<b>1012 · Citizens Busine...</b>		<b>-91.57</b>
	07/24/2020		6051 · Uniforms	4-General Fund Ent.	17.78
			6051 · Uniforms	1-Groundwater Ent.	41.48
			5310 · Vehicle Mainten...	1-Groundwater Ent.	32.31
TOTAL					91.57
<b>22486</b>	<b>08/06/2020</b>	<b>WEX Bank-Valero</b>	<b>1012 · Citizens Busine...</b>		<b>-805.38</b>
	07/23/2020		5320 · Fuel	1-Groundwater Ent.	805.38
TOTAL					805.38
<b>22487</b>	<b>08/12/2020</b>	<b>Bureau of Land Manag...</b>	<b>1012 · Citizens Busine...</b>		<b>-22,722.32</b>
	08/11/2020		7120 · Property-Land P...	3-Land Resources	22,722.32
TOTAL					22,722.32
<b>22488</b>	<b>08/18/2020</b>	<b>Athena Monge</b>	<b>1012 · Citizens Busine...</b>		<b>-35.48</b>
	08/18/2020		6510 · Mileage	4-General Fund Ent.	14.19
			6510 · Mileage	1-Groundwater Ent.	14.19
			6510 · Mileage	3-Land Resources	3.55
			6510 · Mileage	6-Active Recharge ...	3.55
TOTAL					35.48
<b>22489</b>	<b>08/18/2020</b>	<b>Brownstein Hyatt Farbe...</b>	<b>1012 · Citizens Busine...</b>		<b>-15,375.00</b>
	08/09/2020		5122 · Wash Plan Profe...	5-Wash Plan	15,375.00
TOTAL					15,375.00

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**August 2020**

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Original Amount</u>
<b>22490</b>	<b>08/18/2020</b>	<b>City of Redlands -Muni...</b>	<b>1012 · Citizens Busine...</b>		<b>-1,870.85</b>
	08/06/2020		6026 · Redlands Plaza ...	2-Redlands Plaza/...	1,870.85
TOTAL					1,870.85
<b>22491</b>	<b>08/18/2020</b>	<b>County of San Bernardi...</b>	<b>1012 · Citizens Busine...</b>		<b>-22,500.00</b>
	08/01/2020		5225 · Field Clean Up-II...	1-Groundwater Ent.	13,500.00
			5225 · Field Clean Up-II...	3-Land Resources	9,000.00
TOTAL					22,500.00
<b>22492</b>	<b>08/18/2020</b>	<b>Edison - 5552</b>	<b>1012 · Citizens Busine...</b>		<b>-390.92</b>
	08/11/2020		5420 · Electricity	4-General Fund Ent.	109.46
			5420 · Electricity	1-Groundwater Ent.	78.18
			5420 · Electricity	2-Redlands Plaza/...	203.28
TOTAL					390.92
<b>22493</b>	<b>08/18/2020</b>	<b>Edison - 7241</b>	<b>1012 · Citizens Busine...</b>		<b>-46.77</b>
	08/12/2020		5420 · Electricity	4-General Fund Ent.	13.10
			5420 · Electricity	1-Groundwater Ent.	9.35
			5420 · Electricity	2-Redlands Plaza/...	24.32
TOTAL					46.77
<b>22494</b>	<b>08/18/2020</b>	<b>Home Depot Credit Ser...</b>	<b>1012 · Citizens Busine...</b>		<b>-318.17</b>
	07/28/2020		5210 · Equipment Maint...	1-Groundwater Ent.	161.72
			5215 · Property Mainten...	1-Groundwater Ent.	125.16
			5215 · Property Mainten...	3-Land Resources	31.29
TOTAL					318.17
<b>22495</b>	<b>08/18/2020</b>	<b>Image Source</b>	<b>1012 · Citizens Busine...</b>		<b>-171.89</b>
	08/10/2020		6033 · Office Equipmen...	4-General Fund Ent.	128.92
			6033 · Office Equipmen...	1-Groundwater Ent.	8.59
			6033 · Office Equipmen...	2-Redlands Plaza/...	25.79
			6033 · Office Equipmen...	3-Land Resources	8.59
TOTAL					171.89
<b>22496</b>	<b>08/18/2020</b>	<b>Joseph E. Bonadiman ...</b>	<b>1012 · Citizens Busine...</b>		<b>-20,500.00</b>
	08/01/2020		5124 · Plunge Creek Pr...	3-Land Resources	19,750.00
			5124 · Plunge Creek Pr...	3-Land Resources	750.00
TOTAL					20,500.00
<b>22497</b>	<b>08/18/2020</b>	<b>Larry Jacinto Construc...</b>	<b>1012 · Citizens Busine...</b>		<b>-35,742.50</b>
	07/31/2020		5050 · Basin Cleaning	1-Groundwater Ent.	35,742.50
TOTAL					35,742.50

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**August 2020**

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Original Amount</u>
<b>22498</b>	<b>08/18/2020</b>	<b>Lowe's Companies, Inc.</b>	<b>1012 · Citizens Busine...</b>		<b>-173.84</b>
	07/25/2020		5210 · Equipment Maint... 5310 · Vehicle Mainten...	1-Groundwater Ent. 1-Groundwater Ent.	172.82 1.02
TOTAL					173.84
<b>22499</b>	<b>08/18/2020</b>	<b>Manuel Colunga</b>	<b>1012 · Citizens Busine...</b>		<b>-88.02</b>
	08/17/2020		5124 · Plunge Creek Pr...	3-Land Resources	88.02
TOTAL					88.02
<b>22500</b>	<b>08/18/2020</b>	<b>Mikael Romich</b>	<b>1012 · Citizens Busine...</b>		<b>-43,867.90</b>
	08/10/2020		5120 · Misc. Profession... 5120 · Misc. Profession... 5120 · Misc. Profession... 5124 · Plunge Creek Pr...	4-General Fund Ent. 1-Groundwater Ent. 3-Land Resources 3-Land Resources	11,105.35 7,773.75 18,138.74 6,850.06
TOTAL					43,867.90
<b>22501</b>	<b>08/18/2020</b>	<b>O'Reilly</b>	<b>1012 · Citizens Busine...</b>		<b>-49.55</b>
	07/28/2020		5310 · Vehicle Mainten...	1-Groundwater Ent.	49.55
TOTAL					49.55
<b>22502</b>	<b>08/18/2020</b>	<b>Quill Corporation</b>	<b>1012 · Citizens Busine...</b>		<b>-124.66</b>
	08/07/2020		6030 · Office Supplies 6030 · Office Supplies 6030 · Office Supplies 6030 · Office Supplies	4-General Fund Ent. 1-Groundwater Ent. 2-Redlands Plaza/... 3-Land Resources	99.73 6.23 12.47 6.23
TOTAL					124.66
<b>22503</b>	<b>08/18/2020</b>	<b>Redlands Tire Pros &amp; S...</b>	<b>1012 · Citizens Busine...</b>		<b>-227.33</b>
	08/13/2020		5310 · Vehicle Mainten...	1-Groundwater Ent.	227.33
TOTAL					227.33
<b>22504</b>	<b>08/18/2020</b>	<b>Sonsray Machinery</b>	<b>1012 · Citizens Busine...</b>		<b>-5,743.09</b>
	08/04/2020		5124 · Plunge Creek Pr...	3-Land Resources	5,743.09
TOTAL					5,743.09
<b>22505</b>	<b>08/18/2020</b>	<b>Terminix</b>	<b>1012 · Citizens Busine...</b>		<b>-81.00</b>
	07/23/2020		6026 · Redlands Plaza ...	2-Redlands Plaza/...	81.00
TOTAL					81.00
<b>22506</b>	<b>08/18/2020</b>	<b>Thomas Purvis</b>	<b>1012 · Citizens Busine...</b>		<b>-19.18</b>
	08/12/2020		5210 · Equipment Maint...	1-Groundwater Ent.	19.18
TOTAL					19.18

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**August 2020**

09/02/20

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Original Amount</u>
<b>22507</b>	<b>08/18/2020</b>	<b>U.S. Bank Equipment F...</b>	<b>1012 · Citizens Busine...</b>		<b>-336.18</b>
	08/11/2020		6033 · Office Equipmen...	4-General Fund Ent.	252.13
			6033 · Office Equipmen...	1-Groundwater Ent.	16.81
			6033 · Office Equipmen...	2-Redlands Plaza/...	50.43
			6033 · Office Equipmen...	3-Land Resources	16.81
TOTAL					336.18
<b>22508</b>	<b>08/18/2020</b>	<b>United Rentals</b>	<b>1012 · Citizens Busine...</b>		<b>-1,215.00</b>
	08/17/2020		6535 · Conf/Seminar R...	4-General Fund Ent.	546.75
			6535 · Conf/Seminar R...	1-Groundwater Ent.	425.25
			6535 · Conf/Seminar R...	3-Land Resources	243.00
TOTAL					1,215.00
<b>22509</b>	<b>08/18/2020</b>	<b>Water Systems Consult...</b>	<b>1012 · Citizens Busine...</b>		<b>-3,617.50</b>
	07/31/2020		5120 · Misc. Profession...	1-Groundwater Ent.	3,617.50
TOTAL					3,617.50
<b>100255N</b>	<b>08/05/2020</b>	<b>PERS</b>	<b>1012 · Citizens Busine...</b>		<b>-10,982.90</b>
			6170 · PERS Retirement	4-General Fund Ent.	1,427.78
			6170 · PERS Retirement	1-Groundwater Ent.	4,942.30
			6170 · PERS Retirement	2-Redlands Plaza/...	439.32
			6170 · PERS Retirement	3-Land Resources	1,098.29
			6170 · PERS Retirement	5-Wash Plan	2,306.41
			6170 · PERS Retirement	6-Active Recharge ...	768.80
TOTAL					10,982.90
<b>100256N</b>	<b>08/12/2020</b>	<b>PERS</b>	<b>1012 · Citizens Busine...</b>		<b>-11,255.16</b>
			6170 · PERS Retirement	4-General Fund Ent.	1,463.17
			6170 · PERS Retirement	1-Groundwater Ent.	5,064.82
			6170 · PERS Retirement	2-Redlands Plaza/...	450.21
			6170 · PERS Retirement	3-Land Resources	1,125.52
			6170 · PERS Retirement	5-Wash Plan	2,363.58
			6170 · PERS Retirement	6-Active Recharge ...	787.86
TOTAL					11,255.16

San Bernardino Valley Water Conservation District  
**Director Fees Expenditure Payroll Report**  
 August 2020

Pay Date	Name	For Period	Director Fees	Taxes Withheld	Check Amt
8/12/2020	McDonald, M	Jul-20	\$ 462.00	\$ 39.96	\$ 422.04
8/12/2020	Corneille, R	Jul-20	\$ 1,155.00	\$ 136.56	\$ 1,018.44
8/12/2020	Stewart, B	May-Jul 20	\$ 930.82	\$ 105.97	\$ 824.85
8/26/2020	McDonald, M	Aug-20	\$ 2,310.00	\$ 273.26	\$ 2,036.74

### Top 5 Groundwater Producers

Producer	Assessment #54			Assessment #53			Assessment #52			Assessment #51			Assessment #50		
	Jan-Jun 2020			Jul-Dec 2019			Jan-Jun 2019			Jul-Dec 2018			Jan-Jun 2018		
	Paid	Ag	Non-Ag	Paid	Ag	Non-Ag	Paid	Ag	Non-Ag	Paid	Ag	Non-Ag	Paid	Ag	Non-Ag
1. City of Riverside	\$92,714	-	7,029	\$132,331	-	10,033	\$59,583	-	4,744	\$148,033	-	11,786	\$67,886	-	5,620
2. City of Redlands	\$67,692	78	5,076	\$78,932	194	5,844	\$69,062	87	5,399	\$112,069	469	8,680	\$57,205	236	4,670
3. Meeks and Daley	\$50,960	-	3,864	\$42,068	-	3,189	\$53,420	-	4,253	\$15,404	-	1,248	\$72,363	-	5,990
4. Gage Canal	\$46,589	3,335	1,120	\$65,721	3,532	2,063	\$12,603	1,936	-	\$24,282	3,730	-	\$8,151	2,426	-
5. Mt View Generating Station	\$7,776	-	584	\$11,378	-	863	\$4,178	-	332	\$5,532	-	436	\$4,798	-	397

### Groundwater Council Members

Member	FY 20/21		FY 19/20		FY 18/19	
	Paid	UnPaid	Paid	UnPaid	Paid	UnPaid
1. City of San Bernardino		\$263,484	\$308,163		\$277,164	
2. East Valley Water District	\$96,964		\$110,925		\$97,656	
3. City of Loma Linda	\$34,386		\$36,885		\$35,929	
4. City of Rialto	\$36,059		\$31,367		\$38,250	
5. City of Colton		\$24,633	\$28,046		\$23,240	
6. Fontana Union Water Co.	\$21,653		\$20,401		N/A	
7. Loma Linda University	\$6,573		\$7,184		\$7,780	
8. Yucaipa Valley Water District		\$1,187	\$790		\$1,237	
9. Bear Valley Mutual Water Co.	N/A		\$86		\$121	
10. San Bernardino Valley Municipal		\$2,367	N/A		N/A	
11. West Valley Water District		\$56,378		\$53,835		\$54,370



**San Bernardino Valley  
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 1734

**To: Board of Directors**  
**From: General Manager, Daniel Cozad**  
**Date: September 09, 2020**  
**Subject: Unaudited Financial Reports, August 2020**

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**RECOMMENDATION**

Review and approve the unaudited financials for August 2020.

**BACKGROUND**

Financials are presented as of August 31, 2020.

**DISCUSSION**

Eleven Groundwater Council members have been invoiced for their Cost Share based upon the Equitable Allocation Model for a total of \$543,684. The City of Redlands is anticipated to join the GC in October with its cost-share equal to \$126,319 for a combined total of \$670,000 as budgeted. Mining Income from Cemex was received after the month-end so that payment will be presented on September statements. Total payments of \$196,822.00 have been received. The financials are attached for Board review and approval.

**FISCAL IMPACT**

There is no fiscal impact from reporting the financial status of the District.

**POTENTIAL MOTIONS**

1. Move approval of the Unaudited Financials for August 2020 as presented.
2. Move to request this item be tabled and referred to the Finance & Administration Committee for reconsideration of specific issues discussed.

**ATTACHMENTS OR MATERIALS**

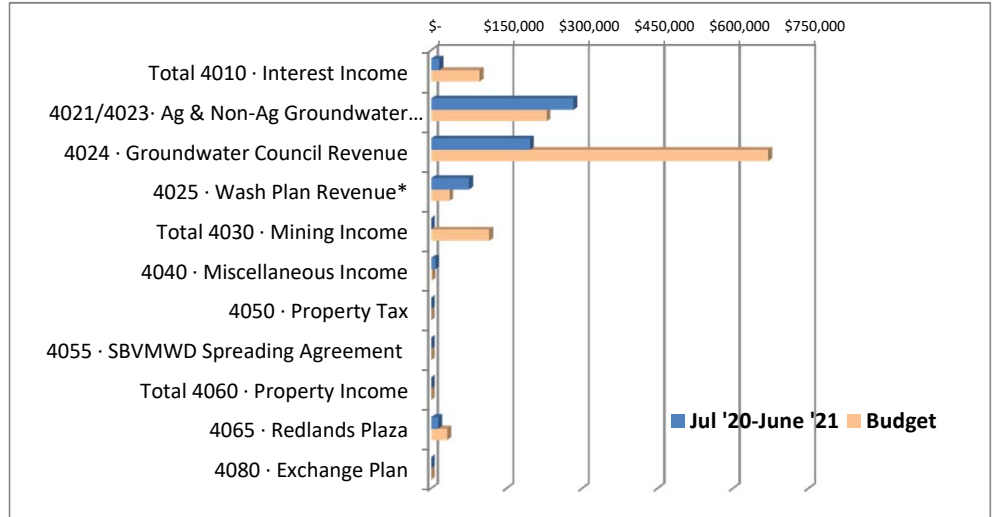
Graph Financials for August 2020  
Profit & Loss to Date vs. Annual Budget

**SBVWCD - All Enterprises Budget and Actual**

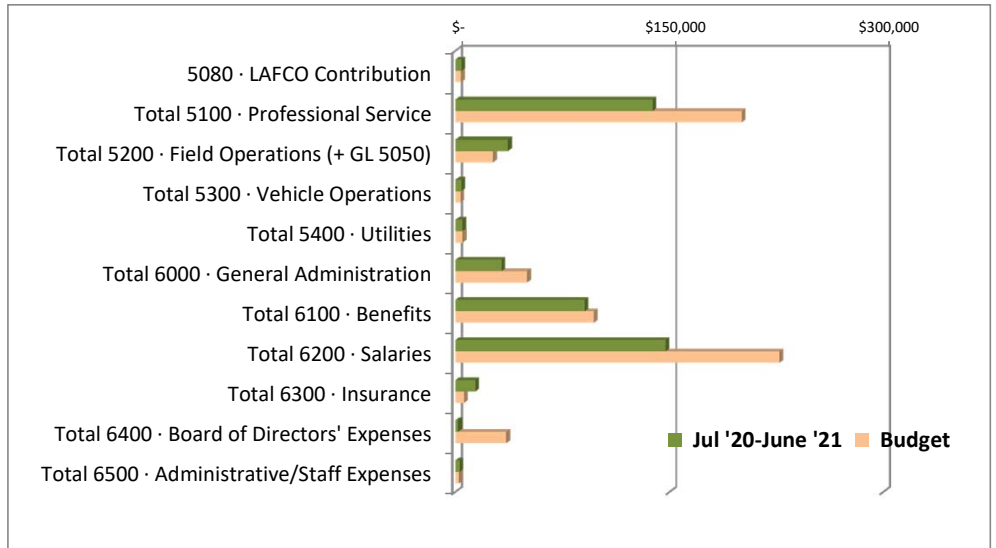
**August 2020**

REVENUE	Jul '20-June '21	Budget
Total 4010 · Interest Income	\$ 16,486	\$ 96,536
4021/4023· Ag & Non-Ag Groundwater Charge	\$ 282,829	\$ 229,861
4024 · Groundwater Council Revenue	\$ 196,822	\$ 670,000
4025 · Wash Plan Revenue*	\$ 75,563	\$ 36,667
Total 4030 · Mining Income	\$ -	\$ 115,667
4040 · Miscellaneous Income	\$ 8,519	\$ 1,667
4050 · Property Tax	\$ -	\$ -
4055 · SBVMWD Spreading Agreement	\$ -	\$ -
Total 4060 · Property Income	\$ -	\$ -
4065 · Redlands Plaza	\$ 14,406	\$ 32,274
4080 · Exchange Plan	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 594,624</b>	<b>\$ 1,182,671</b>

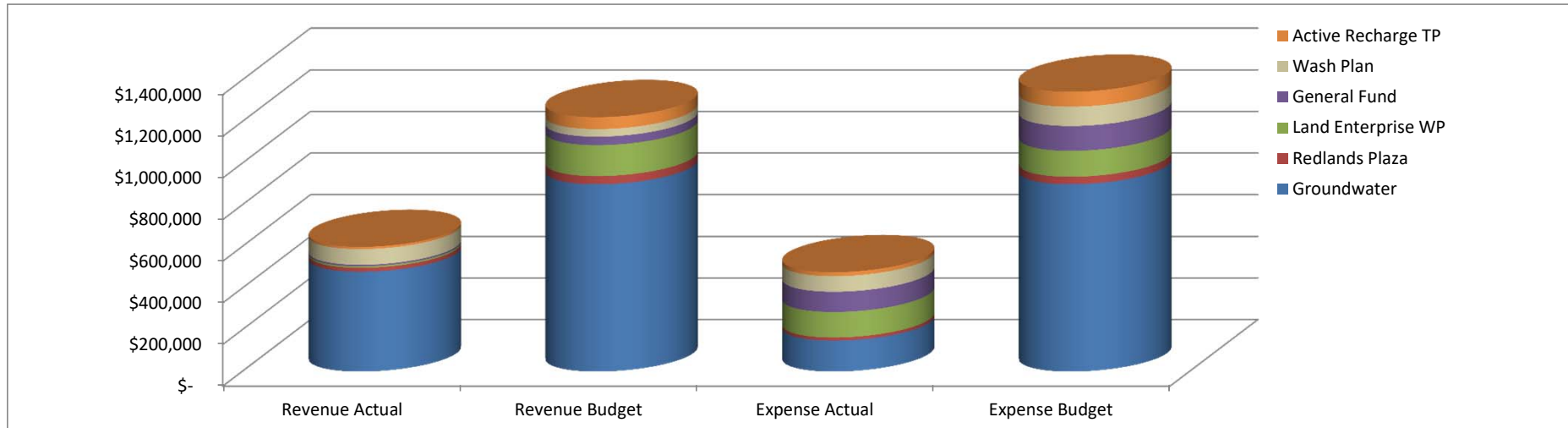
\*District loans to the WP



EXPENSES Operating and Capital	Jul '20-June '21	Budget
5080 · LAFCO Contribution	\$ 4,282	\$ 4,000
Total 5100 · Professional Service	\$ 138,154	\$ 200,690
Total 5200 · Field Operations (+ GL 5050)	\$ 36,912	\$ 26,426
Total 5300 · Vehicle Operations	\$ 4,289	\$ 3,622
Total 5400 · Utilities	\$ 4,981	\$ 5,175
Total 6000 · General Administration	\$ 32,339	\$ 50,237
Total 6100 · Benefits	\$ 90,516	\$ 96,984
Total 6200 · Salaries	\$ 147,146	\$ 227,072
Total 6300 · Insurance	\$ 13,924	\$ 6,117
Total 6400 · Board of Directors' Expenses	\$ 2,109	\$ 35,727
Total 6500 · Administrative/Staff Expenses	\$ 3,003	\$ 2,719
<b>Total Expense</b>	<b>\$ 477,654</b>	<b>\$ 658,769</b>



## Enterprises to Date (August 2020)



Enterprise	Actual	Budget	% of Budget
Groundwater Revenue	\$ 479,651	\$ 899,861	53%
Groundwater Expense	\$ 148,827	\$ 220,226	68%
Revenue -Expense	\$ 330,823	\$ 679,635	
Redlands Plaza Revenue	\$ 18,873	\$ 39,027	48%
Redlands Plaza Expense	\$ 14,737	\$ 35,845	41%
Revenue -Expense	\$ 4,135	\$ 3,183	
Land Enterprise Revenue	\$ 7,420	\$ 149,083	5%
Land Enterprise Expense	\$ 122,854	\$ 124,901	98%
Revenue -Expense	\$ (115,434)	\$ 24,182	
General Fund Revenue *	\$ 6,849	\$ 40,411	17%
General Fund Expense	\$ 96,746	\$ 118,742	81%
Revenue -Expense	\$ (89,896)	\$ (78,332)	
Wash Plan Revenue	\$ 75,563	\$ 36,667	206%
Wash Plan Expense	\$ 75,345	\$ 93,345	81%
Revenue-Expense	218	(56,678)	
Active Recharge TP Revenue	\$ 10,643	\$ 57,375	19%
Active Recharge TP Expense	\$ 19,144	\$ 71,710	27%
Revenue-Expense	\$ (8,501)	\$ (14,335)	
Total All Revenue - Expense	\$ 121,345	\$ 557,655	

Cash Status	As of 7/1/2020	As of 08/31/20
LAIF	\$ 128,186.22	\$ 428,653.94
Cal Trust	\$ 3,213,064.41	\$ 3,217,584.23
Citizens Bank	\$ 904,498.58	\$ 1,435,556.26
UBS Financial Services	\$ 1,925,315.82	\$ 1,467,567.82
US Bank-CAMP	\$18,725,746.48	\$ 18,736,389.14
Total Cash	\$24,896,811.51	\$ 25,285,751.39
Less Prepaid Royalty	\$ (5,000,000.00)	\$ (5,000,000.00)
Less ARTP obligation	\$ (18,437,500.0)	\$ (18,548,232.91)
<b>Cash Position</b>	<b>\$ 1,459,311.51</b>	<b>\$ 1,737,518.48</b>

Increase (decrease) of \$278,206.97  
Percent Increase 19.1%

\* General Fund Revenue shown here does not include overhead

San Bernardino Valley Water Conservation District  
Profit & Loss To Date vs. Annual Budget

	<u>Jul - Aug 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>4010 · Interest Income</b>				
4012 · LAIF	35.21	2,400.00	-2,364.79	1.47%
4013 · Caltrust Investment Income	4,519.82	79,822.43	-75,302.61	5.66%
4014 · CalCredit Union Interest Income	0.00	3,672.00	-3,672.00	0.0%
4015 · UBS Interest Income	1,288.40	36,720.00	-35,431.60	3.51%
4016 · Interest Income ARTP	10,642.66	459,000.00	-448,357.34	2.32%
<b>Total 4010 · Interest Income</b>	<u>16,486.09</u>	<u>581,614.43</u>	<u>-565,128.34</u>	<u>2.84%</u>
<b>4020 · Groundwater Charge</b>				
4021 · Assessments - Ag	40,764.32	128,045.00	-87,280.68	31.84%
4023 · Assessments - Non-Ag	242,064.20	331,676.79	-89,612.59	72.98%
4024 · Groundwater Council Revenue	196,822.00	670,000.00	-473,178.00	29.38%
<b>Total 4020 · Groundwater Charge</b>	<u>479,650.52</u>	<u>1,129,721.79</u>	<u>-650,071.27</u>	<u>42.46%</u>
<b>4025 · Wash Plan Revenue</b>	75,562.92	220,000.00	-144,437.08	34.35%
<b>4030 · Mining Income</b>				
4031 · Plant Site - CEMEX	0.00	48,000.00	-48,000.00	0.0%
4032 · Cemex - Royalty / Lease	0.00	586,000.00	-586,000.00	0.0%
4036 · Aggregate Maintenance	0.00	60,000.00	-60,000.00	0.0%
<b>Total 4030 · Mining Income</b>	<u>0.00</u>	<u>694,000.00</u>	<u>-694,000.00</u>	<u>0.0%</u>
<b>4040 · Miscellaneous Income</b>				
4041 · Reimbursed Expenses	7,512.57	0.00	7,512.57	100.0%
4040 · Miscellaneous Income - Other	1,006.00	10,000.00	-8,994.00	10.06%
<b>Total 4040 · Miscellaneous Income</b>	<u>8,518.57</u>	<u>10,000.00</u>	<u>-1,481.43</u>	<u>85.19%</u>
<b>4050 · Property Tax</b>	0.00	124,588.24	-124,588.24	0.0%
<b>4055 · SBVMWD Spreading Agreement Reim</b>	0.00	423,344.11	-423,344.11	0.0%
<b>4060 · Property Income</b>				
4062 · Mentone Property	0.00	100.00	-100.00	0.0%
<b>Total 4060 · Property Income</b>	<u>0.00</u>	<u>100.00</u>	<u>-100.00</u>	<u>0.0%</u>
<b>4065 · Redlands Plaza</b>	14,405.81	193,643.56	-179,237.75	7.44%
<b>4066 · Redlands Plaza CAM</b>	4,374.67	40,520.36	-36,145.69	10.8%
<b>4080 · Exchange Plan</b>	0.00	30,000.00	-30,000.00	0.0%
<b>4086 · Plunge Creek IRWMP</b>	0.00	200,000.00	-200,000.00	0.0%
<b>4998 · Rate Stabilization From Reserve</b>	0.00	0.00	0.00	0.0%
<b>4999 · Trust Reimbursement-Wash Plan</b>	0.00	142,500.00	-142,500.00	0.0%
<b>Total Income</b>	<u>598,998.58</u>	<u>3,790,032.49</u>	<u>-3,191,033.91</u>	<u>15.81%</u>
<b>Gross Profit</b>	598,998.58	3,790,032.49	-3,191,033.91	15.81%
<b>Expense</b>				
<b>5040 · Regional Programs</b>				
5080 · LAFCO Contribution	4,281.93	4,000.00	281.93	107.05%
<b>Total 5040 · Regional Programs</b>	<u>4,281.93</u>	<u>4,000.00</u>	<u>281.93</u>	<u>107.05%</u>
<b>5050 · Basin Cleaning</b>	35,742.50	50,000.00	-14,257.50	71.49%
<b>5100 · Professional Service</b>				
5120 · Misc. Professional Services	54,035.54	130,000.00	-75,964.46	41.57%
5122 · Wash Plan Professional Services	30,750.00	245,000.00	-214,250.00	12.55%
5123 · Habitat Management-WP	0.00	142,500.00	-142,500.00	0.0%
5124 · Plunge Creek Prof Services	42,305.27	150,000.00	-107,694.73	28.2%
5125 · Engineering Services	0.00	18,000.00	-18,000.00	0.0%
5130 · Aerial Photography & Surveying	0.00	1,000.00	-1,000.00	0.0%
5155 · WP Trails Professional Services	0.00	25,000.00	-25,000.00	0.0%
5160 · IT Support	450.00	7,210.00	-6,760.00	6.24%
5170 · Audit	0.00	26,155.00	-26,155.00	0.0%
5175 · Legal - Wash Plan	7,987.72	20,000.00	-12,012.28	39.94%
5180 · Legal	2,625.00	175,000.00	-172,375.00	1.5%
<b>Total 5100 · Professional Service</b>	<u>138,153.53</u>	<u>939,865.00</u>	<u>-801,711.47</u>	<u>14.7%</u>
<b>5133 · Regional River HCP Contribution</b>	0.00	25,000.00	-25,000.00	0.0%
<b>5200 · Field Operations</b>				
5210 · Equipment Maintenance	991.82	6,556.36	-5,564.54	15.13%
5215 · Property Maintenance	177.77	42,000.00	-41,822.23	0.42%
5225 · Field Clean Up-Illegal dumping	0.00	60,000.00	-60,000.00	0.0%
<b>Total 5200 · Field Operations</b>	<u>1,169.59</u>	<u>108,556.36</u>	<u>-107,386.77</u>	<u>1.08%</u>
<b>5223 · Temp. Field Labor</b>	0.00	11,000.00	-11,000.00	0.0%
<b>5300 · Vehicle Operations</b>				
5310 · Vehicle Maintenance	1,277.90	8,000.00	-6,722.10	15.97%
5320 · Fuel	3,011.03	13,750.00	-10,738.97	21.9%
<b>Total 5300 · Vehicle Operations</b>	<u>4,288.93</u>	<u>21,750.00</u>	<u>-17,461.07</u>	<u>19.72%</u>

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<b>5400 · Utilities</b>				
5410 · Alarm Service	589.75	1,500.00	-910.25	39.32%
5420 · Electricity	1,076.87	10,000.34	-8,923.47	10.77%
5430 · Mobile Phone	810.01	5,265.00	-4,454.99	15.39%
5440 · Telephone	1,225.03	8,000.00	-6,774.97	15.31%
5450 · Natural Gas	0.00	1,134.58	-1,134.58	0.0%
5460 · Water / Trash / Sewer	694.55	2,438.00	-1,743.45	28.49%
5470 · Internet Services	584.95	2,731.82	-2,146.87	21.41%
<b>Total 5400 · Utilities</b>	<b>4,981.16</b>	<b>31,069.74</b>	<b>-26,088.58</b>	<b>16.03%</b>
<b>6000 · General Administration</b>				
6001 · General Administration - Other	487.85	4,500.00	-4,012.15	10.84%
6002 · Website Administration	730.00	6,000.00	-5,270.00	12.17%
6003 · Property Tax	0.00	0.00	0.00	0.0%
6004 · Meeting Expenses	55.67	2,060.00	-2,004.33	2.7%
6006 · Permits	50.00	10,000.00	-9,950.00	0.5%
6007 · Inter District Costs	0.00	10,000.00	-10,000.00	0.0%
6009 · Licenses	0.00	1,630.53	-1,630.53	0.0%
6010 · Surety Bond	1,210.00	1,900.00	-690.00	63.68%
6012 · Office Maintenance	68.32	3,275.40	-3,207.08	2.09%
6013 · Office Lease Payment	10,000.00	60,000.00	-50,000.00	16.67%
6015 · Mentone House Maintenance	250.00	5,000.00	-4,750.00	5.0%
6016 · Redlands Plaza Maintenance	0.00	40,000.00	-40,000.00	0.0%
6018 · Janitorial Services	1,470.00	9,108.89	-7,638.89	16.14%
6019 · Janitorial Supplies	79.25	515.00	-435.75	15.39%
6020 · Vacancy Marketing-Redlands Plaz	0.00	1,500.00	-1,500.00	0.0%
6026 · Redlands Plaza CAM expenses	4,522.09	32,290.50	-27,768.41	14.0%
6027 · Computer Software	0.00	600.00	-600.00	0.0%
6030 · Office Supplies	448.97	3,750.67	-3,301.70	11.97%
6033 · Office Equipment Rental	1,356.26	9,500.00	-8,143.74	14.28%
6036 · Printing	0.00	1,100.00	-1,100.00	0.0%
6039 · Postage and Overnight Delivery	139.40	1,200.00	-1,060.60	11.62%
6042 · Payroll Processing	369.28	2,775.85	-2,406.57	13.3%
6045 · Bank Service Charges	76.11	1,575.00	-1,498.89	4.83%
6051 · Uniforms	59.26	2,750.00	-2,690.74	2.16%
6060 · Outreach	10.00	60,000.00	-59,990.00	0.02%
6087 · Educational Reimbursement	0.00	5,000.00	-5,000.00	0.0%
6090 · Subscriptions/Publications	622.03	1,232.00	-609.97	50.49%
6091 · Public Notices	0.00	3,200.00	-3,200.00	0.0%
6093 · Memberships	10,334.83	22,042.80	-11,707.97	46.89%
<b>Total 6000 · General Administration</b>	<b>32,339.32</b>	<b>302,506.64</b>	<b>-270,167.32</b>	<b>10.69%</b>
<b>6100 · Benefits</b>				
6110 · Vision Insurance	638.82	3,090.02	-2,451.20	20.67%
6120 · Workers' Comp. Insurance	0.00	19,834.77	-19,834.77	0.0%
6130 · Dental Insurance	2,650.24	13,265.60	-10,615.36	19.98%
<b>6150 · Medical Insurance</b>				
6150.01 · Medical Employee Contribution	-5,418.30	-28,597.42	23,179.12	18.95%
6150 · Medical Insurance - Other	53,066.91	256,353.45	-203,286.54	20.7%
<b>Total 6150 · Medical Insurance</b>	<b>47,648.61</b>	<b>227,756.03</b>	<b>-180,107.42</b>	<b>20.92%</b>
6160 · Payroll Taxes-Employer	9,605.42	97,451.74	-87,846.32	9.86%
<b>6170 · PERS Retirement</b>				
6170.01 · PERS Employee Contributions	-21,760.41	-44,054.08	22,293.67	49.4%
6170 · PERS Retirement - Other	51,732.93	280,127.11	-228,394.18	18.47%
<b>Total 6170 · PERS Retirement</b>	<b>29,972.52</b>	<b>236,073.03</b>	<b>-206,100.51</b>	<b>12.7%</b>
<b>Total 6100 · Benefits</b>	<b>90,515.61</b>	<b>597,471.19</b>	<b>-506,955.58</b>	<b>15.15%</b>
<b>6200 · Salaries</b>				
6230 · Regular Salaries	147,146.24	1,362,433.86	-1,215,287.62	10.8%
<b>Total 6200 · Salaries</b>	<b>147,146.24</b>	<b>1,362,433.86</b>	<b>-1,215,287.62</b>	<b>10.8%</b>
<b>6300 · Insurance</b>				
6310 · Property/ Auto Insurance	4,209.65	4,400.00	-190.35	95.67%
6320 · General Liability Insurance	9,713.98	32,300.00	-22,586.02	30.07%
<b>Total 6300 · Insurance</b>	<b>13,923.63</b>	<b>36,700.00</b>	<b>-22,776.37</b>	<b>37.94%</b>
<b>6400 · Board of Directors' Expenses</b>				
<b>6401 · Directors' Fees</b>				
6401.5 · Payroll Taxes-Directors	1,559.66	0.00	1,559.66	100.0%
6401 · Directors' Fees - Other	-5.18	94,861.31	-94,866.49	-0.01%
<b>Total 6401 · Directors' Fees</b>	<b>1,554.48</b>	<b>94,861.31</b>	<b>-93,306.83</b>	<b>1.64%</b>

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6410 · Mileage	0.00	4,000.00	-4,000.00	0.0%
6415 · Air Fare	0.00	2,500.00	-2,500.00	0.0%
6420 · Other Travel	0.00	500.00	-500.00	0.0%
6425 · Meals	9.10	3,500.00	-3,490.90	0.26%
6430 · Lodging	0.00	4,000.00	-4,000.00	0.0%
6435 · Conf/Seminar Registrations	545.00	5,000.00	-4,455.00	10.9%
6440 · Election Fees / Re-Districting	0.00	100,000.00	-100,000.00	0.0%
<b>Total 6400 · Board of Directors' Expenses</b>	<b>2,108.58</b>	<b>214,361.31</b>	<b>-212,252.73</b>	<b>0.98%</b>
<b>6500 · Administrative/Staff Expenses</b>				
6510 · Mileage	952.39	2,500.00	-1,547.61	38.1%
6515 · Air Fare	0.00	3,000.00	-3,000.00	0.0%
6520 · Travel, Other (rental car, taxi)	0.00	1,050.00	-1,050.00	0.0%
6525 · Meals	36.40	2,035.00	-1,998.60	1.79%
6530 · Lodging	0.00	3,750.00	-3,750.00	0.0%
6535 · Conf/Seminar Registrations	2,014.00	4,000.00	-1,986.00	50.35%
<b>Total 6500 · Administrative/Staff Expenses</b>	<b>3,002.79</b>	<b>16,335.00</b>	<b>-13,332.21</b>	<b>18.38%</b>
9999 · Contribution to Capital Maint.	0.00	444,000.00	-444,000.00	0.0%
<b>Total Expense</b>	<b>477,653.81</b>	<b>4,165,049.10</b>	<b>-3,687,395.29</b>	<b>11.47%</b>
<b>Net Ordinary Income</b>	<b>121,344.77</b>	<b>-375,016.61</b>	<b>496,361.38</b>	<b>-32.36%</b>
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
7000 · Construction				
7010 · Materials	0.00	12,000.00	-12,000.00	0.0%
7055 · Plunge Creek Expansion	13,506.46	500,000.00	-486,493.54	2.7%
<b>Total 7000 · Construction</b>	<b>13,506.46</b>	<b>512,000.00</b>	<b>-498,493.54</b>	<b>2.64%</b>
7100 · Land & Buildings				
7110 · Property Capital Repairs	0.00	315,000.00	-315,000.00	0.0%
7120 · Property-Land Purchase	22,722.32	0.00	22,722.32	100.0%
7126 · ARTP Engr/Prof Services	0.00	500,000.00	-500,000.00	0.0%
7130 · Mentone Property (House)-CapRep	0.00	25,000.00	-25,000.00	0.0%
7140 · Mentone Property (Shop)-CapRep	0.00	0.00	0.00	0.0%
7150 · Mill Creek Diversion	0.00	1,100,000.00	-1,100,000.00	0.0%
7160 · Mendoza Property	0.00	467,000.00	-467,000.00	0.0%
<b>Total 7100 · Land &amp; Buildings</b>	<b>22,722.32</b>	<b>2,407,000.00</b>	<b>-2,384,277.68</b>	<b>0.94%</b>
7200 · Equipment & Vehicles				
7210 · Computer Hardware-Capital Purch	3,157.15	5,000.00	-1,842.85	63.14%
7220 · Computer Software	3,842.50	10,000.00	-6,157.50	38.43%
7230 · Field Equipment / Vehicles	0.00	72,500.00	-72,500.00	0.0%
7240 · Office Equipment	0.00	1,500.00	-1,500.00	0.0%
<b>Total 7200 · Equipment &amp; Vehicles</b>	<b>6,999.65</b>	<b>89,000.00</b>	<b>-82,000.35</b>	<b>7.87%</b>
7400 · Professional Services Capital				
7438 · Engineering Services-Other	0.00	125,000.00	-125,000.00	0.0%
<b>Total 7400 · Professional Services Capital</b>	<b>0.00</b>	<b>125,000.00</b>	<b>-125,000.00</b>	<b>0.0%</b>
<b>Total Other Expense</b>	<b>43,228.43</b>	<b>3,133,000.00</b>	<b>-3,089,771.57</b>	<b>1.38%</b>
<b>Net Other Income</b>	<b>-43,228.43</b>	<b>-3,133,000.00</b>	<b>3,089,771.57</b>	<b>1.38%</b>
<b>Net Income</b>	<b>78,116.34</b>	<b>-3,508,016.61</b>	<b>3,586,132.95</b>	<b>-2.23%</b>



# San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 1735

**To:** Board of Directors  
**From:** General Manager, Daniel Cozad  
**Date:** September 09, 2020  
**Subject:** Groundwater Late Payer, Non-Respondents and Investigation List for GWA #54

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## **RECOMMENDATION**

Review, discuss and direct staff to continue to work with late payers and non-respondents for the period of January 1, 2020 – June 30, 2020.

## **BACKGROUND**

The District sent notices to all producers as it does every 6 months. GWA 54 covers the period from January 1, to June 30, 2020. After each assessment period's payment deadline, staff follows the Board approved procedure; sending late notices, calling and attempting to assist any producer who has filed incorrect statements or has failed to file or pay or both. Each groundwater assessment cycle has both late-payers and non-paying producers. Staff makes several attempts to contact producers who have not paid and find owners for wells that have new owners or managers.

## **DISCUSSION**

Late statements were mailed out to all non-respondent producers at the beginning of August followed up by emails. Contact was made with Bear Valley Mutual who reports for Crafton Water Co., Happe Mutual Well Co., and Raught Mutual Well Co. Splash Kingdom's owner has been non-respondent since a fire occurred on their property in May 2020. Payment and reporting from Mt. View Mortuary & Cemetery and remaining producers are expected to be submitted soon.

## **FISCAL IMPACT**

Staff time and potentially legal support may be required to determine production.

## **ATTACHMENTS OR MATERIALS**

Past Due GW #54 Producers Investigation List

1630 W. Redlands Blvd, Suite A  
Redlands, CA 92373  
Phone: 909.793.2503  
Fax: 909.793.0188  
www.sbvwd.org Email: info@sbvwd.org

### **BOARD OF DIRECTORS**

Division 1:  
Richard Corneille

Division 2:  
David E. Raley

Division 3:  
Robert Stewart

Division 4:  
John Longville

Division 5:  
Melody McDonald

### **GENERAL MANAGER**

Daniel B. Cozad

# PAST DUE GW #54 PRODUCERS INVESTIGATION LIST

PAST DUE GW #54 PRODUCERS INVESTIGATION LIST				Expect Pymt/Report	Late Reporters	Field Visit Needed
PRODUCERS	WELL CODE	RECORDATION	LAST PAYMENT/REPORTING			
1. Crafton Water Company	1S2W29N	3600272	\$126.85/GW #53 (Jul-Dec 2019)	X		
	1S2W21L02S	3602186	\$0/GW #53 (Jul-Dec 2019)	X		
2. Happe Mutual Well Co.	1S2W29M01S	3600238	\$83.00/GW #53 (Jul-Dec 2019)	X		
3. Montecito Memorial Park	1S4W26F01S	3600119	\$1,326.15/GW #53 (Jul-Dec 2019)	X		
	1S4W26F	3603949	\$1,326.16/GW #53(Jul-Dec 2019)	X		
4. Raught Mutual Well Co.	1S3W14R01S	3602193	\$450.29/GW #53 (Jul-Dec 2019)	X		
5. Splash Kingdom	1S3W29J01S	3600415	\$139.77/GW #52 (Jan-Jun 2019)	X		
6. Tennessee Water Company	1S3W16L	3600474	\$110.32/GW #53 (Jul-Dec 2019)		X	
7. Doug Guyette	1N4W36M01S	3600458	\$0/GW #53 (Jul-Dec 2019)		X	
		3610007	\$0/GW #53 (Jul-Dec 2019)		X	
8. Greenspot Mutual Well Co	1S2W16C01S	3600266	\$847.92/GW #53 (Jul-Dec 2019)		X	
9. UC Riverside	1S4W27A09S	3601244	\$0/GW #53 (Jul-Dec 2019)		X	
	1S4W27A10S	3601245	\$0/GW #53 (Jul-Dec 2019)		X	
	1S4W27A11S	3601222	\$0/GW #53 (Jul-Dec 2019)		X	



**San Bernardino Valley  
Water Conservation District**  
Helping Nature Store Our Water

Memorandum No. 1736

**To:** Board of Directors

**From:** Daniel Cozad, General Manager  
David B. Cosgrove, General Counsel

**Date:** September 9, 2020

**Subject:** Renewal of Lease with Cemex Materials Pacific, LLC

**RECOMMENDATION**

Review, discuss, and consider approval of a thirty (30) year renewal of the District's lease with Cemex Materials Pacific, LLC ("Cemex"), on terms summarized below.

**BACKGROUND AND DISCUSSION**

The District has long had a sand and gravel mining lease relationship with Cemex, for the payment of royalties and site rent on various portions of the District's land holdings in the Santa Ana River Wash. Such lands are designated MZ-2 by the State, as areas containing significant regional construction aggregate reserves. Having access to such aggregate reserves is an essential aspect of the long term economic health of the communities in the region, in order that public infrastructure and private construction projects can enjoy ready access to reasonably priced sand and gravel, which is vital to roadbed material, concrete, and other critical components of public and private development. Local availability of materials is particularly important since transportation costs of heavy commodities can significantly affect their pricing to the local community and private projects.

Revenues from this lease also serve as an important part of the District's overall income picture. Royalties primarily support the maintenance of the District's lands reduce the need for the Groundwater Enterprise to fund increasing land management and environmental costs. Further, over time, the District and Cemex have defined and refined their respective operations so as to allow compatible utilization of the sand and gravel resources while maintaining the viability and efficacy of the use of District lands for both its primary water supply mission and responsible stewardship of ecological resources that are also a defining characteristic of the District lands involved.

Anticipating the successful completion of the Wash Plan, District staff and representatives of Cemex have been negotiating a renewal of the District's current Cemex lease, which expires November 1, 2021. Such negotiations have been going on well over a year now, and have concluded in a proposed replacement lease that District staff believes accomplishes both mining and public land stewardship

1630 W. Redlands Blvd, Suite A  
Redlands, CA 92373  
Phone: 909.793.2503  
Fax: 909.793.0188  
www.sbvwd.org Email: info@sbvwd.org

**BOARD OF DIRECTORS**

Division 1:  
Richard Corneille

Division 2:  
David E. Raley

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Robert Stewart

Division 4:  
John Longville

Division 5:  
Melody McDonald

**GENERAL MANAGER**

Daniel B. Cozad

goals. That lease is now presented to the Board for its consideration, and staff is recommending approval.

The renewal lease carries forward many of the royalty provisions, site utilization standards and protections, and auditing provisions that have been developed successfully with Cemex over time, as well as adding new features beneficial to the District. For ease of review and discussion, the salient deal points of the renewal lease are summarized below:

1. Term. The lease term is thirty (30) years. This lease tracks the District's Wash Plan permit horizon, and allows Cemex the opportunity to recover costs of capital investment in plant and personnel anticipated for the mining of the Premises as contemplated in the Wash Plan EIS/EIR. The Premises include existing leased lands, adjusted as Wash Plan mining area properties become available after completion of the land exchange with the Bureau of Land Management, as authorized by the Congressional legislation successfully sponsored by the District's local Congressmen last year.
2. Recyclable Material. A new feature of this lease is authorization for the lessee's conduct of limited recyclable materials processing and sale from the Premises. This is contemplated to involve primarily recycling of concrete and asphalt materials. Such capacity will allow the site to take advantage of markets for recycled material, which given the ever-declining availability of permitted mining reserves, and the prospect of future legislative or regulatory preferences for the use of such materials, may assist its long term competitiveness. The lease contains restrictions on both the location, conditions, and time such materials may be stockpiled on site, to minimize risks of inadvertent contamination, and to preserve the intent that sand and gravel mining remain the primary purpose of the lease.
3. Royalty. The royalty rate begins at the present \$0.92 per ton for sand and gravel aggregates, which has been confirmed by staff as consistent with present market conditions. The recyclables royalty is set at \$0.10 per ton for recyclables. Both are indexed to the Producer Price Index Industry data for Construction Sand and Gravel, West, Not Seasonally Adjusted, for the West Census Region, (PCU 21232121232104) ("Index"), to prevent the rate from going "stale" as market conditions may change over time. The lease contains a "true-up" provision on royalty rates every ten years, under which the parties meet and confer, and determine an agreed adjustment to the royalty rates if possible. If not, the lease carries forward the binding arbitration mechanism of the existing one, which includes a "baseball" type procedure, where the arbitrator has to select one or the other parties' fair market royalty figure. This approach is designed to encourage settlement, and incentivize reasonable demands in the process.
4. Monitoring Wells. Under the new lease, Cemex will pay to install four (4) new groundwater monitoring wells for use by the District, in locations the District selected'. These wells will be established to a minimum depth of two hundred (200) feet, with an option for the District to pay the incremental cost to increase the depth to two hundred fifty (250) feet.
5. Site Controls. Site controls from the existing lease have been carried forward. Side slopes can be no steeper than 2:1, and the District retains the right to utilize the leased premises for water storage

or spreading, if necessary. The lease contains provisions for the parties to attempt to shift active mining away from areas needed for water spreading, to try to keep mining operations viable, even in times where the District has large amounts of water needed to be captured. The renewal lease also calls for perimeter controls around active mining areas.

6. Permit Compliance. The renewal lease holds the lessee to compliance with the terms of the District's Wash Plan permits, and gives the District contractual remedies in the event the lessee fails to comply.

7. Audit. The renewal lease contains detailed audit procedures, for royalty auditing that is allowed every two years. These provisions benefit from the parties' experience of conducting an audit under the terms of the existing lease, which offered practical lessons on the timing and type of information best suited to the audit purposes.

8. Guaranteed Annual Royalty and Credit. Finally, the renewal lease includes a feature critically important to the District--the continuation of the payment by the Lessee of Guaranteed Annual Royalty. This revenue protection measure insulates the District against drop or even cessation of royalty revenues when construction aggregate markets are down, or the lessee makes a business decision to slow or halt production from the premises. The Guaranteed Annual Royalty begins at the current five hundred fifty thousand dollars (\$550,000) per year, and is also subject to adjustment by the Index. To the extent Guaranteed Annual Royalty payment outstrip earned royalties, the renewal lease defines both a location (Phase 5 and 6 excavation areas) and time period (3 years) where the lessee can hold over, to "true up" its production with prepaid royalties. Orange Street Site Rent would still be paid during such time.

This is a summary of the renewal lease's primary provisions. Staff will be available to answer questions or explain more specific provisions of the lease, as appropriate, during the Board's deliberations.

### **FISCAL IMPACT**

Costs of development of the lease were included in the Land Resource Enterprise budget over the past two years. Land Resource Enterprise will be the beneficiary of the Five Hundred Fifty Thousand Dollars (\$550,000) Guaranteed Annual Royalty Payments each year throughout the lease with adjustments. This revenue offsets some of the costs of managing District Lands. Additionally, robust economic times may provide higher annual revenues if it translates into more active mining production and sales. Additional four (4) new groundwater monitoring wells with help in the surveillance of groundwater levels at no cost to the District. Biennial audits and monthly administration of the lease and royalty payments, as well as coordination and management, will impact staff and legal costs.

**POLICY OPTIONS**

1. Approve the renewal lease as presented, authorizing the District President to execute the lease.
2. Defer approval of the renewal lease, with directions to staff to renegotiate some or all of its terms.
3. Other actions as may be directed by the Board.

**ATTACHMENTS OR MATERIALS**

Renewal Lease and Exhibits.

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

San Bernardino Valley Water  
Conservation District  
1630 West Redlands Boulevard  
Suite A  
Redlands, CA 92373-8032

Attn: General Manager

FREE RECORDING REQUESTED  
UNDER GOVERNMENT CODE  
SECTION 6103

*THIS SPACE FOR RECORDER'S USE ONLY*

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MINERAL LEASE FOR EXTRACTION OF SAND AND GRAVEL MATERIALS

THIS MINERAL LEASE FOR EXTRACTION OF SAND AND GRAVEL MATERIALS ("Lease") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT ("District") and CEMEX CONSTRUCTION MATERIALS PACIFIC, LLC ("Lessee"). This Lease is entered into in consideration of all of the following:

A. District is a California Water Conservation District, duly formed and existing under California Water Code section 74000 et seq. District has the authority to enter into leases of property it owns pursuant to provisions of California Water Code section 74550, and other provisions of law. Lessee is a Delaware limited liability company, with its principal place of business located at 10100 Katy Freeway, Suite 300, Houston, Texas 77043. Lessee is the existing Lessee of portions of property owned by District, pursuant to a MINERAL LEASE FOR EXTRACTION OF SAND AND GRAVEL MATERIALS dated November 1, 2011 (“2011 Lease”).

B. District’s and Lessee’s predecessor-in-interest, General Portland, Inc. entered into that certain “Lease” dated December 20, 1984, pertaining to various property owned by the District and more specifically described in the 2011 Lease as Parcels I-1; I-2; I-3; I-3a; II-A; II-B; II-C (subject to stated exceptions); II-D; II-E; III-A; III-B; IV-A; and IV-B. That Lease Agreement authorized various excavation and sale of sand, gravel, and related material from property owned by the District, on terms and conditions stated therein, (“Red Agg Lease”).

C. In the 2011 Lease, the parties contemplated that the District’s regional land use and habitat conservation plan effort, denominated the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan (“Wash Plan”), would result in issuance of incidental take and other permits over land both within and outside of the properties described in the 2011 Lease, that would be made available for mining by Lessee pursuant to a comprehensive land use plan, involving a number of local, state, and federal agencies, and involving a contemplated land transfer of properties between the District and the United States Bureau of Land Management (“BLM”). District and Lessee have been involved in the negotiations and planning efforts encompassed in the Wash Plan since 2003. The 2011 Lease was entered into in

part in contemplation that the “Premises” defined therein may be modified to remove the 2011 Lease properties that under the Wash Plan were designated for habitat preservation or management uses, or other non-mining uses, and that the areas under present ownership of BLM but contemplated to be transferred to District may be included in the ultimate mining lease arrangement between District and Lessee. The parties to the 2011 Lease specifically limited the term of that lease arrangement, to permit the Wash Plan time to evolve, advance, and ultimately reach fruition, with the expectation that a successor lease arrangement would be entered into to govern the parties’ lease relationship as and after the Wash Plan received approvals under NEPA, the Federal and California Endangered Species Acts, and other applicable provisions of law.

D. The Wash Plan is currently awaiting final approval of environmental review documents as previously noticed in the Federal Register, and both District and Lessee anticipate that with the direct involvement of applicable federal agencies in the environmental and habitat conservation plan documents, and the passage by Congress and signature by the President of federal legislation regarding the Wash Plan’s contemplated land exchanges, and administrative proceedings underway with the BLM toward effectuating the land transfers contemplated by the Wash Plan, as well as the concurrence of many of the Wash Plan participants in a Memorandum of Understanding governing group funding of a non-wasting endowment to fund Wash Plan habitat conservation plan management and conservation easement costs, Wash Plan final approval and implementation is at hand. As such, the parties have determined it is in their mutual best interest to revisit the 2011 Lease, and have met and conferred about the terms of a replacement lease agreement to govern the parties’ sand and gravel mining lessor and lessee relationship going forward.

E. The parties have also met and conferred regarding Lessee's assumption of the lessee's rights under the Red Agg Lease, and have determined it is likewise in their mutual best interests to merge that Red Agg Lease into this Lease, to simplify the instruments governing their sand and gravel mining lease relationships, and to simplify the administrative management of the oversight of Lessee's occupancy of the site, the sand and gravel mining activities to be conducted on District's property by Lessee, the accounting and remittance of royalties and other sums due, auditing of same, and all other aspects of the relationship between the parties as defined under this Lease.

NOW, THEREFORE, in consideration of all of the foregoing, the parties do hereby set forth the terms of their new and sole lease agreement as follows:

1.0 Definitions. As used herein, the following terms shall have the following defined meanings:

1.1. "DISTRICT" shall mean the San Bernardino Valley Water Conservation District.

1.2. "LESSEE" shall mean Cemex Construction Materials Pacific, LLC, and its successors and assigns.

1.3. "PREMISES" shall mean all those properties owned by DISTRICT, more specifically described in the legal description attached hereto as Exhibit "A" and as more specifically depicted in the plat map attached hereto as Exhibit "B". As used herein, the term "Premises" includes any Transfer Premises once they are available for transfer, and this Lease is amended to include them.

1.4. “MATERIAL” shall mean sand, rock, gravel, and kindred substances, lying on or under the PREMISES, and suitable for commercial extraction, processing, and sale, and any saleable by-products from same. The term “Material” does not include Recyclables.

1.5. “RECYCLABLES” shall mean clean concrete, asphalt, recycled asphalt products, and kindred substances, brought to the Premises and processed into crushed miscellaneous base (CMB), or other saleable product.

1.6. “TON” shall mean a measurement of 2,000 pounds by weight.

1.7. “INDEX” shall mean the Producer Price Index Industry data for Construction Sand and Gravel, West, Not Seasonally Adjusted, for the West Census Region, (PCU 21232121232104) (or if such index is no longer published or kept, such similar index as may be agreed to by the parties).

1.8. “FAIR MARKET ROYALTY” shall mean the most probable market royalty rate that would be paid for Material from the Premises, or Recyclables brought on to the Premises for processing to be sold as crushed miscellaneous base, as of a then-present date of value, by a lessee being willing to lease but under no particular or urgent necessity for so doing, nor obliged to lease, and a lessor, being ready, willing, and able to lease but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the Material and Recyclables are available.

1.9. “WASH PLAN” shall mean the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan, a comprehensive land use, property exchange, and mining and related permitting effort undertaken by District, Lessee, and a number of other public

and private entities for realignment of prior leases for sand and gravel extraction, and for accommodation of water conservation and species habitat preservation.

1.10. “TRANSFER PREMISES” shall mean those properties which District and Lessee agree are appropriate for replacement of any portion of the Premises which may be exchanged to the federal government, Bureau of Land Management, or other entity, under the implementation and effectuation of the Wash Plan, or otherwise rendered unavailable for extraction, processing, and sale of Material. The parties contemplate that the Transfer Premises will consist of a portion of those properties already proposed to be exchanged from BLM to the District under the Wash Plan, or otherwise transferred from the federal government to the District for the purposes of making such transferred areas available for mining. District and Lessee agree, however, that under their best available information, the specific areas of the Transfer Premises are as reflected in Exhibit \_\_\_ hereto. To the extent that the areas ultimately approved for mining and eligible to serve as the Transfer Premises change between the Commencement Date and final approval of the Wash Plan and any other permits required for the excavation of sand and gravel pursuant to this Lease, the exact areas, locations and parameters of the Transfer Premises will be memorialized by way of written amendment, signed by both parties.

1.11. “COMMENCEMENT DATE” shall be the date this Lease becomes effective, \_\_\_\_\_, 2020.

1.12. “LEASE YEAR” shall mean the year following the commencement date in the first year of this Lease, and for every subsequent year, the period beginning each year on the anniversary of the Commencement Date, and continuing one (1) year thereafter.

1.13. “ORANGE STREET PLANT SITE” shall mean that area generally described in the legal description and depicted on the plat map collectively attached as Exhibit “D” hereto, consisting of approximately 100 acres, on which Lessee has, as of the Commencement Date, established and maintains a mining processing plant.

1.14. “REDLANDS AGGREGATES SITE” shall mean the area generally described in the legal description and depicted as Parcel IIIA on the plat map collectively attached as Exhibit “E” hereto.

2.0 Lease of Premises and Rights Conferred.

2.1. Under this Lease, District hereby grants to Lessee the right to come onto the Premises, and to dig, excavate, transport, wash, process, crush, convey, stockpile, and sell all Material on the Premises, consistent with any applicable federal, state, or local regulations, and conditions of any permits that may be applicable thereto. This Lease includes the right to maintain and operate all processing plants, structures, facilities, and equipment legally established by Lessee and existing on the Premises as of the Commencement Date, as are necessary or suitable for the defined purposes of the Lease. This Lease includes the right to construct, maintain and operate a Recyclables processing operation ancillary to Lessee’s mining and aggregates operation, subject to obtaining all necessary permits and all necessary approvals required for same, and any Improvements as may be required therefor, as the term “Improvements” is defined herein, upon the portion of the Premises depicted in Exhibit \_\_\_ hereto, and upon no other portion of the Premises, with the prior written consent of Lessor, which consent shall not be unreasonably withheld. The Recyclables shall be located in an area to be mined in the future which is underlain with compacted native soils and silt. Stormwater

runoff that may occur from the area will be monitored by the Lessee as per their existing Stormwater Permit. The area shall be bermed and maintained such that any stormwater that may leave the area will travel along the compacted dirt road to the paved entrance where it will be collected in the existing sump. In the event stormwater overflows from the sump, it will travel down the driveway where routine stormwater samples are collected. In no event shall a specific load of Recyclables be stored or stockpiled on the Premises for a period longer than eighteen (18) months without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee may also establish such other plants, buildings, paved roadways, structures, or other permanent improvements, or any silt ponds or places for the deposition of impermeable materials (collectively "Improvements") on the Premises, as may be necessary or appropriate for accomplishment of the purposes of the Lease, subject to the prior written approval of the District as to the location, extent, specifications, and composition of such improvements. District's approval shall not be unreasonably withheld, conditioned or delayed. District's approval of Lessee's Improvements shall be directed to District's reserved water spreading and other reserved rights in, to, and for the Premises under this Lease, and the compliance and consistency of such Improvements with the terms and conditions of this Lease, and shall not be directed to the suitability of such Improvements for Lessee's purposes, nor the design, effectiveness, safety, nor engineering suitability of such Improvements, except insofar as District may, but is not required to, confirm that such Improvements as proposed meet otherwise applicable legal requirements and standards. Lessee shall not undertake any construction of such Improvements without prior District review and approval of the plan for the location and other specifications for such improvements. District shall have a period of 45 days after submission of the complete construction plans and working drawings by Lessee of any proposed Improvement construction

to approve, conditionally approve, or disapprove such proposed improvements. Any disapproval by District shall be accompanied by written statement of the reasons therefor, including an explanation of what would be required for approval. Upon District's failure to approve, conditionally approve, or disapprove the Improvements construction within the 45-day period, the plans shall be deemed approved as submitted, so long as they are consistent with all other applicable legal requirements and standards. Lessee may relocate any Improvements or existing improvements located on the Premises, subject to District's approval, in the same manner as for Lessee's original establishment of Improvements. District may require Lessee to remove any Improvements placed on the Premises for which Lessee failed to provide the 45-day notice and opportunity for review and approval of District called for hereunder to the extent such Improvements violate applicable legal requirements, without any liability of District to Lessee. Improvements and existing improvements shall be the property of Lessee during the duration of the Lease, and shall be removed by Lessee upon the expiration or earlier termination of this Lease; provided, however, District may in writing elect to permit Lessee to leave any or all of the Improvements or existing improvements on the Premises after expiration of the Lease, in which case all such Improvements or existing improvements left on the Premises shall become the property of the District. Lessee shall assume all maintenance and insurance responsibilities for any Improvements constructed on the Premises. In addition, Lessee shall provide District no less than forty-five (45) days' notice before Lessee establishes any staging areas, processing areas, unpaved but graded and compacted haul routes, and equipment servicing areas which do not otherwise fit the definition of Improvements provided above, though such facilities shall not require District's prior approval before Lessee may be permitted to place them on the Premises. Further, Lessee shall provide to District no less than fifteen (15) days' notice before Lessee

establishes any portable crushing or processing sites, which do not otherwise fit the definition of Improvements provided above, though such facilities shall likewise not require District's prior approval before Lessee may be permitted to place them on the Premises.

2.2. Premises Leased in "As Is" Condition. Lessee acknowledges that it is granted lease rights to the Premises, and the right to move Material therefrom, on an "as is" basis, and Lessee takes and operates the Premises without reliance on any representation by the District, or any of its officers, employees, agents, or representatives, or any other person, concerning the extent or quality of the Material on the Premises, its fitness for Lessee's intended use, or any particular purpose or use, its income producing history, potential, or capabilities, its value, or any other promise, representation, or inducement not expressly set forth in writing in this Lease. District represents and warrants that it has not caused nor is aware of any environmental conditions relating to the Premises.

2.3. No Warranty. Other than warranty of title to the Premises and Materials and right to remove the Materials, Lessee acknowledges that neither the District, nor any of its officers, employees, agents, or representatives, has made any written or oral representation, promise, or warranty, express or implied, arising out of or in connection with the Material on the Premises, or the transfer of Premises, if any, its fitness for Lessee's intended use, or any purpose or use, its income producing history, potential or capabilities, its value, the likely success or outcome of the Wash Plan, or any other matter not expressly set forth in writing in this Lease. Lessee acknowledges it has inspected, and occupied, the Premises prior to the execution of this Lease. Lessee acknowledges it takes and accepts the Premises in the condition in which the Material on the Premises (or lack thereof) exists as of the Commencement Date this Lease.

Lessee assumes the risk of any and all change in the quality of the rock on the Premises during the term of this Lease.

3.0 Lease Term.

3.1. Original Term. This lease shall begin on the Commencement Date, and shall continue in full force and effect for a period of thirty (30) years thereafter.

3.2. Exclusive Negotiation Period. During the period from 24 months to 12 months prior to the expiration date of the Lease, Lessor shall negotiate exclusively with Lessee for either a new lease on the Premises or an extension of this Lease.

3.3. Right of First Refusal. So long as Lessee shall not be in material breach of this Lease, and provided this Lease has not terminated pursuant to section 10.1 below for Lessee default, Lessee shall have one (1) Right of First Refusal upon any bona fide offer District may make to or receive from any other party for the right to excavate, process, or sell Material from all or any part of the Premises. Such Right of First Refusal shall entitle Lessee to priority acceptance of any such bona fide offer District may make to or receive from any other party, on the identical terms, conditions, requirements, and stipulations as are in such offer. The Right of First Refusal shall continue for a period of one (1) year after the termination or expiration of this Lease. District shall, prior to making or soliciting any offer for the right to excavate, process, or sell Material from the Premises, advise the party or parties with whom it is dealing of the Lessee's Right of First Refusal. District shall require any offer it receives from any party to excavate, process, or sell Material from all or a portion of the Premises, and which it is prepared to accept and is authorized by its legislative body to accept, to be reduced to writing, and shall within thirty (30) days of any such offer, provide a written copy to Lessee, to the person and in

the manner provided for in Section 14.1, Notices, below. Lessee shall have sixty (60) days thereafter to accept or reject the offer. In the event Lessee accepts the offer, District and Lessee shall enter into an agreement, on the identical terms as proposed to or by District and conveyed to Lessee, and incorporating such other terms as the parties may agree to mutually. In the event Lessee rejects the offer, the Right of First Refusal shall thereupon terminate, and be of no further force and effect.

4.0 Royalty and Rental Payments.

4.1. Orange Street Plant Site Rent. Lessee shall pay to District, throughout the entire term of this Lease and any holdover period, the sum of Four Thousand Dollars (\$4,000.00) per month for the lease of the Orange Street Plant Site (“Orange Street Plant Site Rent”). Such rent shall be adjusted annually each Lease Year by any change in the Index. Such rent shall be in addition to, and shall not be credited against, any royalty amounts, including Guaranteed Annual Royalty, which may be otherwise due and owing under this Lease.

4.2. Royalty. In addition to the Orange Street Plant Site Rent, Lessee shall pay a royalty to District for every ton of Material removed or sold from the Premises, and also pay a royalty to District for every ton of Recyclables sold as crushed miscellaneous base or other saleable product from the Premises, as measured by State certified truck scales and recorded by a standardized, nationally recognized ticketing system whose mechanics and accuracy are disclosed and available to, and verifiable by, District. Lessee shall keep true, complete, and accurate records of all Material excavated on and removed from the Premises, and all Recyclables sold as crushed miscellaneous base from the Premises. Lessee shall report the amount of Material removed or sold from the Premises, and the amount of Recyclables sold as

crushed miscellaneous base from the Premises under penalty of perjury, to District on a monthly basis, in a form as District may reasonably specify and require. The parties shall track, calculate, and collect the royalty due on the Material and Recyclables based on the amount of tonnage of Material sold or otherwise removed from the Premises and the Recyclables sold from the Premises as crushed miscellaneous base . District may confirm the amounts using the mechanism set forth in in Section 7.6.

4.3. Royalty Rate. Beginning on the Commencement Date, the royalty rate for Material shall be set at Ninety Two Cents (\$0.92) per ton, and the royalty rate for Recyclables sold as crushed miscellaneous base shall be set at Ten Cents (\$0.10) per ton. On or before ninety (90) days prior to the fifth anniversary of the Commencement Date, and every tenth year anniversary thereafter (“Royalty Adjustment Date”) the parties shall meet and confer, in an attempt to come to an agreement on the Fair Market Royalty for each of these royalty rates. The parties shall provide, one to the other, any and all market analyses, appraisals, or other valuation materials or opinions upon which their proposed Fair Market Royalty for each royalty is based. If no agreement is reached within thirty (30) days of the parties’ exchange of such information, the matter shall be submitted to binding arbitration, as provided for herein. The arbitrator shall select either one or the other of the parties’ original Fair Market Royalty proposals for each of these royalty rates, and the Fair Market Royalty rate so selected shall be the royalty rate paid by Lessee to the District for the following ten (10) years, subject to any Index adjustment. The Fair Market Royalty shall be presented separately for the Materials royalty and the Recyclables royalty. The arbitrator shall not have the authority or discretion to compromise between the two parties’ proposals, nor to come to an independent determination of the Fair Market Royalty rate. In the arbitration, no party may rely on, or submit to the arbitrator, any material which was not

originally exchanged pursuant to the exchange of Fair Market Royalty proposals ninety (90) days before the Royalty Adjustment Date, except that, to the extent the exchanged materials include appraisals, valuations, or other opinions of expert witnesses, each party shall be entitled to a single deposition of each such expert whose materials are upon by the other, and such deposition transcripts may also be relied upon and submitted to the arbitrator . The arbitrator shall only select one of the parties' Fair Market Royalty rates for each applicable royalty, which he or she determines most accurately determines the appropriate Fair Market Royalty for such applicable royalty. The royalty rates described in this Section 4.3 and as adjusted pursuant to Section 4.4, are collectively called the "Royalty Rates".

4.4. Index Adjustment. The Orange Street Plant Site Rent, the Royalty Rate, and the Guaranteed Annual Royalty Payments (described in Section 4.5) as they exist on the date of this Lease shall be adjusted annually, on each anniversary of the Commencement Date, by any percentage of change in the Index, using 2020 as the base year. The new Royalty Rates or rent will be based off the initial Royalty Rates or rent rate. In no event, however, shall such change in any one year amount to a change in the applicable rent or Royalty Rates more than fifty percent (50%), higher or lower, than the immediately preceding rent or rate. Such fifty percent limitation shall operate only to serve as the cap for upward change or floor for downward change for the year in which the change in the Index results in a change in the Royalty Rates or rent of 50% or more, and not to change prospectively the Index calculation for succeeding years.

4.5. Guaranteed Annual Royalty; Area For Recovery of Credits.

(a) Guaranteed Annual Royalty Payments. Notwithstanding the level of excavation or sale of Material from the Premises, or the import of Recyclables on to the Premises, Lessee shall pay to District a guaranteed annual royalty amount (the “Guaranteed Annual Royalty”), in addition to the Orange Street Plant Site rent. Such Guaranteed Annual Royalty shall be in the amount of Five Hundred Fifty Thousand Dollars (\$550,000.00) annually, adjusted each Lease Year on the anniversary of the Commencement Date by change in the Index, as described in Section 4.4. Such Guaranteed Annual Royalty shall be paid in equal monthly installments, and shall be submitted along with all reporting by Lessee of its excavation and sales activities on the Premises, comparing the amounts of Guaranteed Annual Royalty paid, against the actual amount of Material excavated, and the actual amount of Material sold or otherwise removed from the Premises. In any month in which the royalty amount owed pursuant to Section 4.2 is greater than that 1/12 of the Guaranteed Annual Royalty, the amount due under Section 4.2 shall be paid rather than 1/12 of the Guaranteed Annual Royalty, subject to application of credits under Section 4.5(b). The entire payment in such circumstance is applicable to the Guaranteed Annual Royalty. In no event, other than an event or condition excused under this Agreement, should the payment to District in any month be less than 1/12 of GAR until the total of payments in the Lease Year have reached the GAR, at which point the remaining payments in the Lease Year shall be based on the earned royalty under Section 4.2 subject to application of credits under Section 4.5(b).

(b) Guaranteed Annual Royalty Credits. To the extent the total earned royalty payment that would have been paid by Lessee in any given Lease Year is less than the amount of Guaranteed Annual Royalty, Lessee shall be credited for the difference against Section 4.2 royalties otherwise due in any succeeding Lease Years above the Guaranteed Annual Royalty due in such Lease Year, until all such credits have been offset against Section 4.2 royalties in excess of applicable Guaranteed Annual Royalty. Except during a holdover pursuant to Section 4.5(c), in no event shall such credits ever diminish or decrease the amount of Guaranteed Annual Royalty due for a given Lease Year.

(c) Holdover to Retire Guaranteed Annual Royalty Credits. Except in the event of a Lessee default under Section 10.1 below, should this Lease expire or otherwise terminate prior to the time Lessee's Guaranteed Annual Royalty credits have been retired, Lessee shall have the right, but not the obligation, to hold over and continue to occupy the portion of the Premises consisting of the Phase 5 and Phase 6 excavation areas, as depicted in the map provided as Exhibit \_\_\_ hereto ("Royalty Recovery Area"), to remove any Improvements or other equipment or operations thereon, and to excavate and sell Material. Such holdover right shall begin on the date the Lease expires or is terminated for any reason (except in the event of a Lessee default under Section 10.1 below), including Lessee's exercise of its right of termination under Section 10.3 below. No Guaranteed Annual Royalty or other royalty amounts shall be paid to District on the Material excavated and sold by Lessee during the holdover period, and such amounts of such per-ton royalties as would otherwise be applicable to the

Material, as adjusted by the Index through and including the holdover period, shall be applied to reduce the credits for Guaranteed Annual Royalty payments made in excess of royalties paid on a per-ton basis. Lessee shall pay the Orange Street Plant site rent for all time that Lessee occupies the Orange Street Plant site during such holdover period, and such Orange Street Plant Site rental shall be adjusted by the Index, using the Effective Date as the base period and the beginning of the holdover period as the adjustment date for application of the Index adjustment. Thereafter, on each anniversary date of the beginning of the holdover period, the Orange Street Plant Site rent shall be adjusted again, per the Index. Such Orange Street Plant Site rent shall not be offset against or reduced to retire any Guaranteed Annual Royalty credits. Lessee's right to hold over on the Royalty Recovery Area shall continue only until the per-ton royalty amounts applicable to such Material excavated and sold by Lessee during the holdover period are equal to the sum total of Guaranteed Annual Royalty credits for Lessee's payments of Guaranteed Annual Royalty in excess of per-ton royalty, which accrued prior to the holdover period, but in no event longer than three (3) years from the time of the Lease's expiration or earlier termination. Retirement of credits hereunder shall be at the Royalty Rates in effect at the time of the excavation and sale of the material which is used to offset them, and not at the Royalty Rates that may have been in effect when such credits were accrued. Any Guaranteed Annual Royalty credits not retired within the applicable holdover period shall be lost, and forfeited without any further liability from District to Lessee.

4.6. Late Payments. Any payment due hereunder shall be made within thirty (30) days of the expiration of the month during which the Material and Recyclables were removed or sold from the Premises. Late payments shall incur a one and one-half percent per month late charge, which charge shall be added to, and considered to be additional, rent.

5.0 Permits.

5.1. Lessee's Obligation to Secure Permits. Notwithstanding the parties' mutual efforts to effectuate the Wash Plan, it is and shall be the Lessee's sole responsibility to secure any and all land entitlements, SMARA permits or approvals, conditional use permits, or any and all discretionary permits required for Lessee to operate and maintain its operations on the Premises for the excavation, processing, removal, and sale of Material therefrom, including any reclamation plans, or requirements, from all applicable federal, state and local jurisdictions (collectively "permits" herein). In the event the Wash Plan fails to result in the grant of such permits it includes, and because additional permits will be required even if the Wash Plan is approved, Lessee shall diligently and continuously take all other actions necessary to obtain all permits required to accomplish the Material excavation purposes set forth herein, and shall obtain such permits at Lessee's sole cost and expense. Lessee shall submit to District, no less than forty five (45) days prior to submission of any permit application, or forty five (45) days prior to accepting any conditions that may be imposed on any such permit, all information, studies, applications, and other information relative to the permit or the proposed terms and conditions proposed to be imposed on same, for District's prior, written approval. District's review shall be limited to such permit applications, and / or permit conditions that the District determines, in the exercise of its reasonable discretion, could impair its ability to perform its water storage, conservation or spreading activities, or District's other reserved rights and uses in

the Premises under this Lease, and / or impact the Premises beyond the term of this Lease. District shall not unreasonably disapprove the permit nor the conditions thereto. Lessee shall not finalize the permit, nor take any action in furtherance of conducting activities pursuant to any permit, until the District has approved the permit and any conditions thereto. In the event District fails to approve or disapprove any permit submitted to it by Lessee, provided that all proposed conditions have been documented and forwarded to District, within forty five (45) days from District's receipt of same from Lessee, the permit and conditions thereto shall be deemed approved by the District.

5.2. District Cooperation With Permits. District agrees that within the bounds of its reasonable discretion as reserved in Section 5.1 above, it will reasonably cooperate with Lessee and Lessee's efforts to obtain applicable permits and land use entitlements to allow Lessee to fulfill the purposes of this Lease, including, but not limited to, execution of petitions, applications or authorizations for applications. No consent given under this Lease by the District shall affect or limit Lessee's obligations under this Lease, nor shall any approvals or consents given by the District, in its capacity as the owner of the Premises, be deemed to be approval as to compliance or conformance of any application or any permit with applicable governmental codes, laws, orders, rules, or regulations.

5.3. Habitat Mitigation Dedications. District and Lessee acknowledge that effectuation of the Wash Plan, or potentially other permits may require the dedication by District of various areas, within or without the Premises, for endangered or threatened species habitat preservation or management. The cost of such dedication or preservation and management, to the extent it occurs outside of the Wash Plan and is instigated by or for the benefit of Lessee upon Lessee's prior written consent, shall be the responsibility of the Lessee, and to the extent it

is within the Wash Plan, shall be the responsibility of the respective parties as may be specified in the Wash Plan. Notwithstanding this, however, District and Lessee agree to cooperate reasonably in an effort to effectuate the Wash Plan, as consistently as possible with the identified mitigation areas from the Supplemental Draft Environmental Impact Statement for the Proposed South Coast Resource Management Plan Amendment for the Proposed Upper Santa Ana River Habitat Conservation Plan and Land Exchange (“EIS”). The parties acknowledge the need to meet and confer, between themselves and other members of the Task Force, regarding the proper identification of any required changes to the mitigation areas, the degree of reserved water conservation activity the District may require as a result of any encumbrance of District property for such purposes, and the nature and cost of habitat management strategies appropriate for such areas as may ultimately differ from those specified in the EIS. District and Lessee agree to cooperate reasonably on such subjects, in an attempt to effectuate the purposes of the Wash Plan and the purposes of this Lease.

5.4. Lessee Indemnification re Permit Challenges. Except such permits as may be obtained by the parties pursuant to the Wash Plan, Lessee shall indemnify, defend and hold the District harmless from any action, judicial or otherwise, contesting the validity of any permit granted to Lessee by the District or any other permitting jurisdiction, and Lessee shall promptly pay any judgment or award against the District in any such action, and shall take all other measures necessary to diligently defend and resolve any challenge to the validity of any such permit.

5.5. Compliance with Terms of Permits. Lessee shall faithfully comply with all applicable terms and provisions of any and all permits and regulatory requirements imposed upon Lessee’s activities on the Premises, including federal, state and local laws and regulations,

and those permits and requirements issued as a part of or in connection with the Wash Plan. Such permits and requirements include those arising under the Incidental Take Permit, the Habitat Conservation Plan, the Implementing Agreement (“IA”), and the Memorandum of Understanding to Implement the Habitat Conservation Plan for The Upper Santa Ana River Wash Plan and Associated Implementing Agreement (“MOU”) and the provisions of any Certificate of Inclusion Agreement as may be entered into as a condition to the issuance of any Certificate of Inclusion (“COI”), including but not limited to complying with any orders or directives from USFWS or the California Department of Fish and Wildlife (“CDFW”) in connection with any “Changed Circumstances” (as defined in the “No Surprises” rule at 50 C.F.R. Section 17.3; and section 3.7 of the IA) or any “Unforeseen Circumstances,” (as defined in the “No Surprises” rule at 50 C.F.R.; and Section 3.28 of the IA), or Adaptive Management (as provided in Section 5.3 of the HCP and section 11 of the IA).

(a) If the District has reason to believe Lessee has violated the terms of any of the above-referenced permits or regulations in conducting its activities on the Premises hereunder, or has otherwise engaged in any unauthorized Take under either the Federal or California Endangered Species act, District shall notify Lessee in writing (“Notice of Suspected Violation”). Such notice shall specify the nature, extent, and location of the violation, and make reference to the evidence or information upon which the suspected violation is based.

(b) Upon receiving a Notice of Suspected Violation. Lessee shall have ten (10) days to respond thereto in writing. The response shall include such plans, maps, constructions drawings, reports, photographs, surveys, or other materials as may be available and appropriate to document the conditions of the alleged violation

arising from the Lessee's activity, and if the violation is acknowledged, the reasons therefore, and the Lessee's plan of remedial action to remedy the violation and assure consistency with the permits and regulations.

(c) If after receipt of the Lessee's Response to a Notice of Suspected Violation the District determines there has been no violation, it shall withdraw the Notice of Suspected Violation. If District determines that a violation did occur, but is minor and may be corrected in a summary or reasonably expeditious manner without damage to species, habitat, or the ability to administer the applicable permits and regulations, District shall work with Lessee, and USFWS and CDFW as may be appropriate, to correct or address the violation. If District determines a violation did occur and it is material, or no response is received within ten (10) days, the District may proceed to revoke, suspend, or modify the COI. Any disputes regarding District's determination on Notices of Suspected Violation shall be resolved pursuant to the dispute resolution procedures of the MOU.

(d) To the extent any violation or suspected violation may threaten noncompliance with the terms of any applicable permit or regulation, or otherwise may raise issues of compliance or enforcement under the Federal or California Endangered Species Act, the District may report the suspected violation to the USFWS, the CDFW, or both. Nothing in this Lease authorizes or assigns any enforcement authority under such acts to the District, however. The Parties shall comply with any enforcement proceedings or orders made by the USFWS or CDFW arising out of any such suspected violation.

(e) The procedural provisions of this Section 5.6 are designed to operate in conjunction and compatibly with, and not require duplicate compliance with, the enforcement provisions of the MOU. Compliance with such procedural provisions of the MOU shall be considered compliance with this Section 5.6, but in the event of any violation of any permit or regulation applicable to Lessee's activities on the Premises, the parties' remedies shall not be limited to those specified in the MOU, and the parties do not intend to abridge or circumscribe any lease remedies either may have by making reference to the procedural permit enforcement mechanisms of the MOU.

5.6. Transfer of Permits. Upon the expiration or earlier termination of this Lease except to the extent of holdover under Section 4.5(c), all transferable permits applicable to the Premises shall immediately transfer to the District, and Lessee shall take all actions required to complete such transfer, and otherwise cooperate fully with the District in accomplishing everything required to complete such transfer. Notwithstanding the foregoing, however, in the event this Lease terminates prior to the twentieth (20<sup>th</sup>) anniversary of the Commencement Date, and Lessee has on or before that time paid amounts of its assigned share of the non-wasting endowment for the Wash Plan in order to secure a Certificate of Inclusion under the Wash Plan Memorandum of Understanding to be included in the Incidental Take Permit to be issued to the District for Lessee's Covered Activities, District may not transfer the Certificate of Inclusion nor other permits applicable to such Lessee's Covered Activities without conditioning the transfer upon requiring the transferee of such Certificate of Inclusion and other permits to reimburse Lessee any proportionate amount by which the amount of Lessee's entitlement to ground disturbance, in acres, for Covered Activities resulting from its contribution in dollars to the non-

wasting endowment prior to the proposed transfer exceeds the then-existing amount of actual ground disturbance by Lessee for the Lessee's Covered Activities. In other words, should the Lessee's contributions to the Wash Plan non-wasting endowment at the time of the proposed permit transfer allow ground disturbances under Lessee's proposed Covered Activities, in excess of the actual total acreage of ground disturbance then undertaken by Lessee, District shall cause the subsequent transferee under such permits to reimburse to Lessee any amount by which Lessee's prepayment of contribution to the non-wasting endowment exceeds for such Covered Activities the actual amount of ground disturbance allowed under the permits to be so transferred. Such proportionate amount shall be determined by multiplying the total contribution, in dollars, by Lessee to the non-wasting endowment by a fraction, the numerator of which shall be the actual acreage of ground disturbance then undertaken by Lessee, and the denominator of which shall be the total acreage of ground disturbance represented by the entirety of Lessee's non-wasting endowment contribution. In the event the termination of the Lease occurs by way of breach by the District, or by expiration of the term of the Lease, District may not transfer the permits unless and until District has caused the transferee to effectuate the reimbursement provided for herein. If the termination of the Lease is caused by breach by Lessee, or a force majeure or other event beyond the control of the District, District shall cooperate reasonably with Lessee in the determination and collection of such reimbursement, but it shall be the responsibility of Lessee and any subsequent transferee of the Certificate of Inclusion or other permits for the Covered Activities authorized by Lessee's then-completed non-wasting endowment contribution to make arrangements for the timing, terms, and effectuation of the reimbursement payment.

#### 6.0 Use and Operation of Premises.

6.1. Safeguards. Lessee shall, at all times during this Lease, maintain proper and adequate safeguards on the Premises to assure its orderly use, and to prevent intrusion from trespassers, playing children and vandals.

6.2. No Waste or Nuisance. Lessee shall not maintain, commit or permit the maintenance of or commission of any waste or any nuisance (as defined in California Civil Code section 3479) within the premises. Lessee shall not use or permit the use of the Premises for any unlawful purpose.

6.3. Hazardous Materials. Lessee shall not cause, permit or suffer the release or dumping of any Hazardous Materials on the Premises at any time. As used in this Lease, the term “Hazardous Materials” shall mean:

(a) Hazardous wastes, hazardous materials, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases, including but not limited to, substances deemed as “hazardous wastes,” “hazardous materials,” “hazardous substances,” “toxic substances,” “pollutants,” “contaminants,” “radioactive materials,” or other similar designations in, or otherwise subject to regulation under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”), 42 U.S.C. §§ 9601 *et seq.*; the Toxic Substance Control Act (“TSCA”), 15 U.S.C. § 2601, *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. § 9601, *et seq.*; the Clean Water Act (“CWA”), 33 U.S.C. § 1251, *et seq.*; the Safe Drinking Water Act, 42 U.S.C. § 300, *et seq.*; the Clean Air Act

(“CAA”), 42 U.S.C. § 7401, *et seq.*; the Hazardous Waste Control Law, California Health & Safety Code § 2025, *et seq.* and Health & Safety Code § 33349; the Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health & Safety Code Div. 20, Ch. 6.8; the Hazardous Materials Release Response Plans and Inventory Act, California Health & Safety Code Div. 20, Ch. 6.95; the Underground Storage of Hazardous Substances Act, California Health & Safety Code Div. 20, Ch. 6.7; the Porter-Cologne Act, California Water Code § 13050, *et seq.*; and in any permits, licenses, approvals, plans, rules, regulations, or ordinances adopted, or other criteria and guidelines promulgated pursuant to, the preceding laws (collectively, the “Environmental Laws”); and

(b) Any other substances, constituents or wastes subject to any applicable federal, state or local law, regulation or ordinance, including any Environmental Law now in effect, including but not limited to petroleum, refined petroleum products, waste oil, waste aviation or motor vehicle fuel, asbestos, lead in water, paint or elsewhere, radon, polychlorinated biphenyls (PCBs), and ureaformaldehyde.

Lessee shall defend, indemnify, and hold District harmless for any release of any Hazardous Materials on the Premises caused by or arising from Lessee’s possession of the Premises, or any of its activities undertaken thereunder except cause by the negligence or willful misconduct of District or any breach of District’s warranties. Such indemnification shall include promptly paying any and all costs for site characterization, remediation, and any and all judgments for damages to persons or property, including any penalties, regulatory fines, or any other liabilities which may arise out of the Hazardous Materials released.

6.4. Maintenance and Perimeter Controls. Lessee shall, to the satisfaction of the District, keep and maintain the Premises and all improvements of any kind thereon in a state of good repair, clean, safe, and in compliance with all regulatory standards, laws, ordinances, statutes, and regulations applicable thereto, and any licenses or permits in connection therewith. Lessee shall maintain, and repair, existing fencing or other agreed perimeter controls around the exterior boundaries of any active excavation on the Premises, so as to prevent purposeful or accidental intrusion, or habitation by unauthorized persons or parties; provided, however, Lessee shall not be responsible or liable for maintenance, repair, or fencing around any portion of the Premises devoted solely to District's water spreading facilities on which no active excavation occurs. District and Lessee shall meet and confer, in good faith, on the placement by Lessee of any additional perimeter fencing, berming, or placement of other barriers to vehicular or pedestrian access, as may be required by Mine Safety and Health Administration ("MSHA") standards, or as otherwise required by conditions of the Premises or surrounding areas or circumstances, in order to preserve public health and safety, to protect the Improvements or other property of Lessee and the safety and security of Lessee's employees, vendors, customers, and invitees. District shall be given keys, combinations, or other means of access through any such gates that may be connected or maintained pursuant to this requirement. Lessee and District shall each indemnify the other for any claims, liabilities, losses, or damages to persons or property caused by the indemnifying party's negligence or willful misconduct regarding such perimeter controls.

6.5. Mining Controls. In addition to complying with the conditions of any mining permit or other governmental approval relating to its mining activities, Lessee shall conduct its mining activities on the Premises subject to the following conditions and limitations:

(a) Timing. Lessee will notify the District in writing regarding which specific areas of the Lease Property will be mined, and at what times. Such notice shall be for the purpose of permitting the District to utilize portions of the Premises which are not actively being mined by Lessee, for water spreading activities or other activities which do not unreasonably inhibit or interfere with Lessee's proposed mining activity, which right is specifically granted to and reserved by the District. District and Lessee agree to reasonably coordinate their respective activities to minimize any interference with both groundwater recharge activities and mining activities.

(b) Mining Within Acceptable Distance to Groundwater.

(i) Lessee shall establish, at its own cost, as and when required by the District, four (4) groundwater monitoring wells, in the locations depicted in Exhibit \_\_\_\_\_ hereto, to determine groundwater levels in the vicinity of active mining areas. Such wells shall be established at a depth no more than two hundred (200) feet below ground surface, and shall be completed within 6 months of issuance of the California Department of Fish and Wildlife Incidental Take Permit or within 24 months following the Commencement Date, whichever is later. Lessee shall secure bids for both a 200 foot and 250 foot depth, and District shall have the option, but not the obligation, to require Lessee to install the well to a depth of two hundred and fifty (250) feet, but in the event District does so, District shall reimburse Lessee all incremental bid costs for the additional fifty (50) feet of depth. Such wells shall be established and documented in accordance

with all required permits and in compliance with all appropriate protocols of the State Water Resources Control Board, which documentation shall be provided to District upon well completion. Upon completion, Lessee shall transfer ownership and operation of such well to District, including cooperating with District to execute such documents or other evidence of transfer as may be necessary or appropriate. Once transfer is complete, District shall assume all maintenance and operational responsibility for such well(s). District shall at all times have access to such wells, and may utilize such wells at any time to monitor water levels; provided, however, Lessee shall promptly replace or repair any damage caused by the Lessee to the monitoring wells, at Lessee's sole cost. Lessee does not warrant or confirm the accuracy of the monitoring wells and the District assumes all risk in utilizing the information obtained from the monitoring wells. Lessee shall not conduct any operations on the Premises which could damage or destroy such monitoring wells.

(ii) In the event groundwater levels in or around Lessee's mining operations rise to a point that is within twenty feet (20') of any active excavation, all such operations shall thereupon immediately be halted by Lessee, until such time as the groundwater table level drops to a point more than twenty feet (20') below the level of any active mining operations. Lessee shall be released from any and all royalty payment obligations to District which accrue during any period in which Lessee is required to halt all excavation activities under this subsection (ii).

Guaranteed Minimums will be prorated for the year to excuse the period of such interference.

(iii) In the event of any unplanned cessation of mining activity by Lessee because of groundwater levels, District shall use its best efforts to redirect surface water recharge to areas which will not exacerbate high groundwater conditions in areas of active mining operations, and shall continue to do so until 1) the high groundwater conditions have abated, and mining activities can resume within the necessary twenty foot (20') separation between mining activities and groundwater levels in the affected area of active mining operations, or 2) it appears that District's operations are not affecting groundwater levels in the affected area of active mining operations, or 3) District has no reasonable alternative to spreading water in or around the areas of active mining operations.

(iv.) In the event Lessee's mining activities are directly interrupted by District's exercise of its reserved water spreading rights on the Premises, in such a way that Lessee is left with no permitted, active mining areas on which Lessee may shift its mining activity, and only during such periods, Lessee's monthly Guaranteed Annual Royalty payment shall be reduced proportionately, based on the number of days in such month District's interruption of Lessee's mining activities results in Lessee being forced to cease all mining activities.

(c) Reclamation-Notice and Meet and Confer.

Lessee shall comply with all reclamation requirements, under SMARA, any other law or regulation, and any applicable permit. Prior to undertaking reclamation activities, Lessee shall notify District, in writing, of the proposed reclamation activity, its location, and expected duration. Upon receiving such notice, District shall have ten (10) working days to advise Lessee if it wishes to meet and confer with Lessee about potential additional reclamation activities that District may request Lessee to undertake, which may serve District's post-reclamation uses or purposes for the reclaimed portion of the Premises, and that may feasibly and conveniently be combined with Lessee's reclamation activities. If District so requests, the parties shall promptly meet and confer in good faith, to explore what measures District may wish to have Lessee undertake in connection with Lessee's other reclamation activities. In such meet and confer process, the parties shall consider timing, impact to Lessee's reclamation schedule or other mining activities, whether the Reclamation Plan allows such activities, and cost. Such meet and confer process shall not extend more than thirty (30) days unless both parties agree otherwise. In the event Lessee agrees to incorporate District's requested additional activity, any additional cost, in excess of those costs of Lessee's otherwise required reclamation activities, shall be borne by District, in an amount as both parties may agree. It is the intention of this provision to assure that the parties have an opportunity to explore reasonable coordination of activities or improvements that will serve District's long-term interests for

the Premises after reclamation, and utilize potential cost efficiencies of coordinating with Lessee's otherwise required reclamation activities, but not to impose additional costs or reclamation requirements upon Lessee that Lessee does not otherwise have to assume through reclamation obligations, or Lessee otherwise agrees to assume.

(d) Side Slopes. For all portions of the Premises, side slopes shall be no steeper than 2:1 except where existing slopes mined prior to the Effective Date left a finished slope steeper than 2:1, and the parties agree that Lessee has no obligation to correct those slopes. The ultimate side slopes, except at the Northwest corner of the Redlands Aggregate North parcel (south ½ of the northeast ¼ of Section 11, T1S, R3w, SBBM), and except where such side slopes were already in their final configuration as of the Effective Date of the July 10, 1997 Lease Amendment, shall be maintained in their natural condition, not reconstructed or recompacted. No slope cut by Lessee shall at any time on any area of the Premises be steeper than the finished grades specified herein.

(e) All pit bottoms shall be scarified to a depth of two feet (2'), as part of Lessee's reclamation activities, at Lessee's sole cost, prior to quitting any mining site.

6.6. Silt Deposits. District agrees that Lessee may deposit silt or impermeable fines within the Premises, only as follows:

(a) Alabama Pit No. 2 may be filled to its full capacity.

(b) The existing silt located along the north edge of the Johnson South Parcel and the existing silt pond on the Johnson North Parcel (consisting of the 80 acre parcel located in the South one-half of the Northwest one-quarter of Section 11, T1S, R3W, SBBM), as shown and delineated in Exhibit “\_\_\_\_\_” hereto, may remain, and effective on the Effective Date District waives any demand or claim for removal of silts deposited in such area by Lessee. District’s waiver is of District’s right, if any, to demand removal of such silts under its contractual rights as Lessor, and District makes no further representation or warranty regarding Lessee’s ability to maintain any silts already deposited or whether such deposits comply with any applicable laws, statutes, regulations, or permit conditions of any kind. In addition, Lessee may use the Johnson North Parcel, depicted as Parcel \_\_\_\_\_ on Exhibit \_\_\_\_\_, (but no portion of the Johnson South Parcel, depicted as Parcel \_\_\_\_\_ on Exhibit \_\_\_\_\_,) for future deposit of silts or impermeable fines. Lessee shall not conduct any mining activity on the Premises north of the existing Johnson North parcel silt pond, except as may ultimately be allowed under the Wash Plan. The existing silt pond on the Johnson North Parcel (consisting of the 80 acre parcel located in the South one-half of the Northwest one-quarter of Section 11, T1S, R3W, SBBM), may remain. As per CEMEX’s approved Mine and Reclamation Plan, CEMEX may also deposit silts and impermeable fines in Robertson’s Ready Mix’s Silt Pond Quarry when it becomes available.

(c) For both the Alabama Pit No. 2 and the Johnson North Parcel silt ponds, Lessee shall, at its sole cost, reclaim the areas by grading the top level of

such silts or impermeable materials according to the reasonable specifications of District, and by backfilling with non-silt, pervious earth material of at least two feet (2') of depth, and construct shallow water percolation basins and dikes thereon above the two feet of pervious material, all to the reasonable specifications of the District, so as to make the reclaimed land usable for spreading water in shallow surface ponds. Lessee shall not be responsible for payment of royalty for any Material excavated exclusively for such purposes.

6.7. Lessee Production of Water. In addition to the groundwater monitoring wells provided for in Section 6.5 (2) (i), Lessee may sink such groundwater wells, or otherwise produce water from the Premises, as may be reasonably required in the operations on the Premises permitted under Section 2.0 this Lease. Any wells established by Lessee on the Premises shall be considered improvements, and shall be subject to the requirements of Section 2.1 above. Lessee shall, in addition to any and all other payments due under this Lease, pay any groundwater charges associated with production of groundwater by Lessee from the Premises, at then-applicable rates, and shall pay any and all other permitting or other charges required to establish and operate such wells. In connection with such wells, Lessee shall, upon reasonable request by the District, provide such information regarding groundwater levels, or water quality, produced from such wells, as Lessee otherwise does or is required to produce as a well operator, at no additional charge to District

7.0 District's Reservations.

7.1. District's Reservation for Water Conservation Activities. District reserves the right, from time to time and as it deems necessary in the exercise of its reasonable discretion,

to utilize all or any portion of the Premises for its water recharge, conservation, spreading, and other operations. In connection with the exercise of this reserved right, the Conservation District shall make every effort to harmonize its water conservation activities with the then-current and anticipated immediate future excavation and other activities of Lessee, with the goal that the mining activity and the water conservation activity can harmoniously exist, without interruption to either. In the exercise of these reserved conservation rights, District shall do all of the following:

(a) Provide Lessee no less than five (5) days' notice of its need to utilize portions of any active excavation areas, or areas of active haul road or other transport of excavated Material to and from areas of active excavation and the plant site or stockpiling sites utilized in connection with the same.

(b) Except in such cases of *force majeure* as provided in Section 15.8 below, District shall not take all then-permitted portions of the Premises, which at that time Lessee is or could actively mine, out of production.

(c) Except in circumstances of sudden threatening precipitation, threat of immediate flooding from dam releases or other causes, other immediate danger to persons or property or *force majeure*, District shall meet and confer with Lessee to determine the appropriate areas for the exercise of the District's reserved water spreading rights as they impact active areas of excavation or other Lessee activities, to harmonize the need for areas of spreading with the needs of portions of the Premises for the activities permitted or authorized by this Lease.

During periods of force majeure, the Guaranteed Annual Royalty shall be reduced proportionately, based on the number of days of Lessee is forced to cease all mining activities by the force majeure.

7.2. No Liability. Notwithstanding the procedural restrictions above, District shall have no liability to Lessee for any interruptions to excavations, or any other activities Lessee may undertake on the Lease, from the exercise of its reserved water spreading rights except as otherwise provided herein.

7.3. Inspection and Monitoring. District shall have the right, at all times during the pendency of this Lease, and at its own expense, to have an inspector remain on the Premises, including any plant site, scales, or sales areas, to observe, monitor, and inspect all aspects of Lessee's operations, and to confirm the validity and accuracy of Lessee's record keeping with respect to excavation and sale and removal of Material or import and sale of Recyclables, and Lessee's compliance with all other aspects of the Lease. Such inspector shall be required to have all reasonable safety clearances or certifications required to access such areas of the Premises as District desires to monitor, as may be required under federal, state, or local statute, ordinance, or regulation. In addition, the inspector shall comply with Lessee's reasonable operating procedures and regulations, and shall undertake its monitoring activities in such a way as not to unduly disrupt, delay, or interfere with Lessee's operations. Mine Safety and Health Administration certification is required for any inspector to come on site.

7.4. Periodic Inspections. Whether or not District exercises its right to have an inspector on the Premises, District may, at any time during the pendency of this Lease, but no more than once per calendar quarter in any calendar year, and upon no less than twenty four (24)

hours' notice, come on to the Premises to assure compliance with permit conditions, conditions of the Lease, or the proper counting of tonnages excavated or sold. Mine Safety and Health Administration certification is required for any inspector to come on site unless accompanied by a certified CEMEX employee.

7.5. Confidentiality of Information. All information received by the District pursuant to any inspector on the Premises, or any of its periodic inspections or any audit pursuant to Section 7.6 below, shall be used solely for the purpose of assuring compliance with the terms of the Lease, and shall be considered confidential to Lessee, and kept confidential by District to the full extent permitted by the law. In connection with the receipt of such information, both District and Lessee specifically intend that the information is considered to be protected under Government Code section 6254(e), and shall not constitute a public record.

7.6. Audit. District may, no more frequently than once every two (2) years, and at its own expense, require a full audit of Lessee's books, records, receipts, accounts, and any or all other information pertinent to the payment of plant site rent, royalties of Material or Recyclables, or Guaranteed Annual Royalty hereunder, including tonnages of Material excavated, sold, or otherwise transferred from the Premises, and quantities of Recyclables sold from the Premises as crushed miscellaneous base or other saleable product. The Lessee shall fully cooperate with the District's audit. District shall not be required to perform such audit every two years, nor shall District's failure to require an audit in any given two year period preclude a later audit of those Lease Years, provided, however, no single audit shall encompass more than the immediately preceding four (4) Lease Years, and once a Lease Year is audited, District may not require a second audit of the same Lease Year. Subject to revision by the

District in the exercise of its reasonable discretion and mutual agreement of Lessee, the process for each such audit shall be as follows:

(a) District will schedule with Lessee an initiation meeting, to be held for the purpose of reviewing general records and status of payments. CEMEX will have staff familiar with accounting and operations attend and be prepared to be able to verify and respond to any questions and comments. At the initiation meeting, the parties shall meet and confer, and attempt to reach concurrence regarding all of the following: 1) all Index adjustments under the Lease; 2) applicable per ton royalty rates for the audit period; 3) the total tonnage of Material sold or removed from the Premises during the audit period, pursuant to the methodology described below; 4) the amount of Guaranteed Annual Royalties paid, and the status and amount of any accrued Guaranteed Annual Royalty Credits; and 5) the total tonnage of Recyclables sold as crushed miscellaneous base from the Premises.

(b) The methodology for verification of the tonnage of Material sold or removed from the Premises is designed to assure the tons of Material which are processed results in royalty payments, and can be traced to the volume of Material excavated, taking into consideration waste, silts, and other factors. This methodology has two parts:

(1) System verification of the weighing, tracking and payment processes, to proceed as follows:

(A) LESSEE shall promptly provide to District verified Scale Certification records.

(B) DISTRICT will select individual months to audit within the audit period (up to a maximum of three), and request in writing the monthly sales reports for daily transactions within those months.

(C) LESSEE shall promptly provide the requested monthly sales reports for daily transactions within two (2) weeks of District's written request.

(D) Based on the preceding step, District shall determine which days in the month to request scanned tickets for verification (not to exceed 50 tickets per month), and request such daily scanned tickets, in writing. Lessee shall promptly provide all such requested daily records to District, including electronic scanned tickets for the dates requested and any other materials to support the transactions on those days, within two (2) weeks of District's written request. To the extent District opts to review additional daily tickets for the selected audit months, such additional tickets may be reviewed by District at the Lessee's Redlands Plant office.

(E) District will review the daily tickets for agreement with the daily and monthly reports, and consistency with the production statements provided by Lessee with its monthly payments under the Lease, within two (2) weeks.

(F) District will identify any discrepancies or questions it has based upon its review of all of the foregoing, and advise Lessee in writing of same. Lessee shall provide written responses to any questions or issues identified within two (2) weeks from District's written notice of same.

(G) District will document the results of the review, and provide a copy to Lessee within two (2) weeks of Lessee's response.

(2) In addition to the system verification, a Volumetric Assessment will be conducted, to proceed as follows:

(A) The parties shall review available LiDAR information from the most recent prior flight of the Premises

(B) The parties shall determine if an updated flight is available to be performed.

(C) The parties shall assess quantity (tons) reported by Lessee as part of its monthly Lease payments over the audit period, and determine if an updated flight is needed. Either party may determine an additional flight is needed, and in such event the flight shall be undertaken, and the parties shall proceed to schedule a flight within approximately four (4) weeks. The results of the flight, and any data from same, shall be provided to both parties simultaneously. Only if both parties determine no additional flight is required shall this step be omitted.

(D) The parties shall mutually review flight data and volume calculations therefrom within four (4) weeks of receipt of same.

(E) The parties shall meet and confer to assess Material losses and waste silt volume, within the same four (4) weeks period from receipt of the flight data.

(F) The parties shall compare the results of the Volumetric Assessment to the tons reported by the Lessee in its monthly payments under the Lease for the audit period, within the same four (4) weeks period from receipt of the flight data.

(G) The parties shall meet and confer to determine if additional analysis or review is needed to reconcile the results of the Volumetric Assessment with the system verification and the tons reported by the Lessee in its monthly payments under the Lease for the audit period, within the same four (4) weeks period from receipt of the flight data. The parties shall make a good faith effort to reconcile any discrepancies, and if discrepancies cannot be reconciled, shall proceed to binding arbitration under Section 8.0 below.

(3) Recyclables Auditing. The Audit provided for above may, but is not required to, include an audit of Recyclables. If District chooses to audit the Recyclables as well as the Material, Lessee shall provide to District system verification of the weighing, tracking and payment for any Recyclables sold as crushed miscellaneous base or other saleable product from the Premises. The audit will then proceed as provided for, and in the same manner as, the audit for Materials, above.

8.0 Binding Arbitration. In the event of any dispute arising under this Lease, including but not limited to disputes with respect to tonnages of Material excavated or sold or otherwise removed from the site, amounts of plant site rent, per-ton royalty, or Guaranteed Annual Royalty, advanced costs for Wash Plan processing, or other amounts claimed due from one party to the other under this Lease, the determination of Fair Market Royalty, or any other

controversy or dispute arising under this Lease, the matter shall be submitted to binding arbitration. To the extent not otherwise provided herein, any party wishing to submit any disagreement or alleged breach or noncompliance with any of the covenants or other provisions of this Lease shall first make demand upon the other party, in writing, specifying the issue, the amounts claimed due if known, and the steps it requires of the other party to resolve the dispute. Following such written notice, the parties shall, unless a different time period is specifically provided for otherwise herein, meet and confer in an attempt to resolve the dispute for a period of fourteen (14) days thereafter. In the event parties are unable to come to resolution, either party may demand that the matter may be submitted to binding arbitration. If such a demand is made, both parties shall, within five (5) business days of the receipt of the written demand to submit to arbitration, submit to the other a list of three (3) proposed arbitrators. Following exchange of such lists, the parties shall attempt to mutually select a single arbitrator to arbitrate the dispute. In the event the parties are unable to do so, each of the parties shall strike two arbitrators from the list of the other party, and the two remaining listed arbitrators shall thereupon decide upon a third arbitrator, who shall be someone other than the three originally listed by either party. Arbitrations regarding Fair Market Royalty shall proceed as provided for in Section 4.3 above. Arbitrations on all other subjects shall proceed according to such rules as the parties may reasonably agree to, and in the absence of their ability to agree, upon such rules as may be imposed by the single selected arbitrator. The decision of the arbitrator shall be final and binding, with each party waiving any right to jury or other judicial determination of the dispute, except that the award may be corrected, or vacated, as provided by Code of Civil Procedure sections 1280 et seq. Notwithstanding Code of Civil Procedure section 1286.4 and 1286.8, the award may also be vacated or corrected if it is clearly contrary to law. Each party

shall initially bear its own costs and fees in connection with the prosecution and hearing of the arbitration, and shall pay one-half (1/2) of the costs of the arbitrator. The advanced share of the arbitrator's costs and expenses, and attorneys' fees, expert witness fees, and the fees of any audit shall be considered as recoverable costs of the arbitration, and the reasonable costs thereof shall be recoverable by the prevailing party, in addition to any other relief that might be awarded.

9.0 Insurance. Lessee shall maintain, and keep in effect, all of the following policies of insurance at all times it occupies the Premises:

9.1. Workers' Compensation Insurance. By signature hereunder, Lessee certifies that Lessee is aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Lessee will comply with such provisions before commencing the performance or the work of this Agreement.

9.2. Workers' Compensation and Employer's Liability Insurance. Lessee, its agents, and its sub-contractors shall cover or insure under the applicable laws relating to workers' compensation insurance, all of their employees employed directly by them or through subcontractors in carrying out the work contemplated under this Agreement, all in accordance with the Workers' Compensation and Insurance Act, Division IV of the Labor Code of the State of California and any Acts amendatory thereof. Lessee shall provide employer's liability insurance in the amount of, at least, \$1,000,000 per accident for bodily injury and disease.

9.3. Liability Insurance. Lessee shall provide and maintain at all times during the performance of this Agreement, the following commercial general liability insurance:

(a) Coverage. Coverage shall be at least as broad as the following:

(1) Commercial General Liability. Commercial General Liability coverage (Occurrence Form CG 0001) in the amount of two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2501 or insurer's equivalent endorsement provided to the District) or the general aggregate limit shall be twice the required occurrence limit.

(2) Required Provisions. All policies specified hereunder shall state or be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days (10 days for nonpayment of premium) prior written notice by U.S. mail has been given to the District.

(3) Required Format. All of the liability insurance shall be provided on policy forms satisfactory to the District. All insurance correspondence, notations, certificates, or other documents from the insurance carrier or agent/broker shall each separately reference the District project number.

(4) Deductibles and Self-Insured Retention. Any self-insurance retention must be declared to and approved by the District.

(5) Acceptability of Insurers. Insurance is to be placed with insurers having a current A.M. Best's rating of no less than A-:VII or equivalent or as otherwise approved by the District.

(6) Evidences and Cancellation of Insurance. Prior to execution of this Agreement, Lessee shall file with the District evidence of insurance satisfactory to the District. The insurer will give by U.S. mail written notice to the District at least thirty (30) days prior to the effective date of any cancellation, except for nonpayment of premium for which ten (10) days prior written notice will be given.

9.4. Subcontractors. In the event that Lessee employs other contractors as part of the services covered by this Agreement, it shall be the Lessee's responsibility to confirm that each subcontractor meets the minimum insurance requirements specified above.

#### 10.0 Default or Termination.

10.1. Default by Lessee. Each and every covenant and agreement contained in this Lease is declared to be a condition to the Lease, and to the rights hereby granted to Lessee. Lessee shall be considered to have materially breached this Lease, giving the District the remedies set forth in Section 10.2 below, in the event that any one or more of the following occur:

(a) Lessee fails or refused to pay to the District any royalties or other rentals due hereunder when due, and such royalty or rent remains unpaid for thirty (30) days after written notice by the District to Lessee; or

(b) Lessee defaults in the performance of or breaches any covenant, condition, or provision contained in this Lease other than set forth in Section 10.1 (a) hereinabove, including violations of permits or regulations as provided in Section 5.5 above, and such default or breach is not cured within thirty (30) days after written notice thereof is served by the District on Lessee, or if such cure is physically impossible to cure within thirty (30) days, Lessee has begun and diligently prosecuted such cure.

(c) Lessee becomes insolvent. For the purposes of this Lease, Lessee shall be conclusively presumed to have become insolvent if (i) a receiver is appointed to take possession of all or substantially all of Lessee's property because of insolvency; or (ii) Lessee makes a general assignment for the benefit of creditors; or (iii) Lessee allows any judgment against Lessee to remain unsatisfied or unbonded for a period of thirty (30) days or longer; or (iv) an attachment or execution is levied upon or against any or all of Lessee's right, title, or interests in or under this Lease, and the same shall not have been released within thirty (30) days from the date thereof; or (v) proceedings or receivership in bankruptcy have been instituted against Lessee; or (vi) Lessee is adjudicated bankrupt.

(d) Any disagreement between the parties as to whether a default has occurred shall be decided by binding arbitration, as provided for herein.

10.2. Remedies on Lessee's Default. Should Lessee breach this Lease, the District may, in addition to any other remedy given the District by law or in equity:

(a) Continue this Lease in effect by not terminating Lessee's right to possession of the Premises, in which event District shall be entitled to enforce all of the District's rights and remedies under this Lease, including the right to recover the royalties and other rental payments specified herein, as such royalties and payments become due under this Lease; or

(b) Terminate this Lease and Lessee's right to possession of the Premises;

(c) In the event Lessee becomes insolvent, the District may, by giving thirty (30) days' written notice to Lessee or to the person appointed to manage Lessee's affairs at the address for such person appearing in the official records of the court that appointed such person, terminate this Lease and forfeit Lessee's rights under the Premises and in any Improvements or facilities on or appurtenant to the Premises.

The remedies herein shall not be exclusive, but shall be cumulative and in addition to any and all of the remedies now or hereafter allowed by law or otherwise authorized in this Lease, and the exercise of one or more of said rights, powers, elections, or remedies shall not impair the District's right to exercise any other right, power, election, or remedy.

10.3. Lessee's Right of Termination. Lessee may terminate this Lease, with or without cause, at any time after the first anniversary of the Commencement Date, by providing District no less than one hundred and eighty (180) days' written notice. Upon giving such notice, and until the one hundred eighty day period passes, the Lease shall remain in effect, and Lessee shall fulfill all obligations of Lessee hereunder which accrues during the one hundred

eighty (180) days, including the payment of Orange Street Plant Site rent, Guaranteed Annual Royalty and any per-ton royalty amounts. Lessee's indemnification under Section [6.3] shall survive termination of the Lease.

10.4. Surrender of Possession. Other than during holdover under Section 4.5(c) at the expiration or termination of this Lease, for whatever reason, Lessee shall execute, acknowledge, and deliver to the District a Quitclaim Deed conveying all right, title, and interest of the Lessee to the Premises, both land and improvements. Thereafter, Lessee shall promptly, but in any event no later than six (6) months following the expiration or earlier termination of the Lease, remove all Improvements (unless the requirements for such removal has been waived in writing by District), portable buildings, equipment, and personal property placed on the Premises by Lessee, and clear the Premises of all debris, and otherwise surrender to the District the Premises in good order and clean condition.

10.5. Quiet Enjoyment. District represents, covenants and warrants that Lessee, upon paying the rent and performing the covenants herein provided, shall peacefully and quietly have, hold and enjoy the Premises, subject to District's reserved rights hereunder.

11.0 Encumbrance, Assignment, and Subletting.

11.1. Hypothecation.

(a) Lessee shall have the right at any time, from time to time, and subject to prior written approval of the District (except to the extent any Improvements are subject to an encumbrance prior to the execution of this Lease), to subject the leasehold estate and any or all Improvements placed or to be placed

on the Premises to one or more deeds of trust or other security instruments (collectively “Leasehold Deed of Trust” herein) as security for a loan or loans or other obligation of Lessee, provided that:

(i) The Leasehold Deed of Trust and all rights acquired under it shall be subject and subordinate to each and all of the covenants, conditions, and restrictions stated in this Lease, including the Wash Plan Permits and regulations, and to all rights and interest of the District except as otherwise provided herein, and

(ii) Lessee shall give District prior notice of any such Leasehold Deed of Trust, and shall accompany the notice with a true copy of the note and deed of trust.

11.2. Reserved.

11.3. Licenses. Lessee shall have the right to grant licenses for ingress and egress to the Premises in connection with any assignment or sublease, provided such licenses are made specifically subject to the covenants contained in this Lease related directly to Lessee’s mining activities under the Lease, and do not extend beyond the term of this Lease.

12.0 Transfer Premises. The parties agree to cooperate reasonably in defining the Transfer Premises, either before or upon the final approval of the Wash Plan, if the Wash Plan becomes effectuated. The Transfer of Premises shall be identified by way of appropriate legal description and plat maps, and shall be incorporated as Premises to which this Lease applies by

way of a written amendment to this Lease. The Transfer Premises shall not be replaced for any portion of the Premises without the mutual agreement of District and Lessee.

13.0 Condemnation. If during the term of this Lease, all or any portion of the Premises is acquired for public use by the use of eminent domain, or transfer under threat of eminent domain, the following shall apply:

(a) District shall be entitled to all compensation awarded for the taking of the Premises, including any leasehold bonus value, except that Lessee shall be entitled to any portion of the award representing the value of its advance payment for habitat conservation, leasehold improvements (less any reversionary value allocable to District upon the scheduled end of the lease term), moveable equipment, stockpiled or other inventory (excluding any unexcavated Material in place), moving expenses or relocation benefits, any award for loss of Lessee's business goodwill, and any separately-assessed attorneys' fees or costs which are awarded solely to Lessee.

(b) If the entire Premises are taken pursuant to any condemnation proceeding, or acquisition under threat of condemnation, the Lease shall terminate in its entirety, effective on the date the acquiring entity is legally entitled to take possession of the Premises. If only a part of the Premises is taken pursuant to any condemnation proceeding, or acquisition under threat of condemnation, and the part taken is so essential that the remainder Premises subject to the Lease is no longer suitable for the purposes of the Lease, Lessee shall have the option to terminate this Lease. Such option shall be exercised in writing, no later than: (1)

sixty (60) days after the filing of any complaint in eminent domain and service of same upon Lessee; or (2) within sixty (60) days of Lessee being notified, by District or any other party, of the acquiring entity's intent to acquire by eminent domain, accompanied by a legal description or other detailed indication of the specific area and property interests the acquiring entity proposes to take, whichever of the two occurs earlier. Any dispute between the District and Lessee as to whether a part taken is so essential that the remainder Premises subject to the Lease is no longer suitable for the purposes of the Lease shall be submitted to binding arbitration as provided herein if no condemnation action is then pending, and if such an action is pending, by the court hearing and determining such action.

(c) If only a part of the Premises is taken pursuant to a condemnation proceeding or acquisition under threat of condemnation, and there is either (1) no such material impairment of Lessee's use of the remaining portion of the Premises, or (2) Lessee otherwise elects not to terminate this Lease as provided in this Section, then the Lease shall terminate only as to the portion taken, effective on the date the acquiring entity is legally entitled to take possession of the portion taken, and the Lease shall continue in full force and effect as to the remaining portion of the Premises.

(d) If any portion of the plant site is taken as part of a partial taking, the plant site rent shall be reduced, in a percentage equal to the percentage the land taken area from the plant site bears to the total area of the plant site before the taking, such reduction to be effective on the date the Lease terminates as to the

portion of the plant site taken. There shall be no reduction to the Guaranteed Annual Royalty or the per-tonnage royalty, however.

14.0 Assignment and Transfer. The qualifications and identity of Lessee are of particular concern to District. It is because of those qualifications and identity that District has entered into this Agreement with Lessee. Accordingly, except as expressly set forth herein, Lessee shall not, whether voluntarily, involuntarily or by operation of law, assign, transfer or convey all or any part of this Agreement or any rights hereunder or in this Lease or the Premises, including any sublease, without District's prior written approval, which shall not be unreasonably withheld, delayed or conditioned on items not related to the prospective assignee's financial ability to perform Lessee's requirements and obligations under this Lease, or the prospective assignee's ability to comply with the terms, conditions, or requirements of any applicable permit, entitlement, development condition, or provision of law governing the mining activities to be carried out on the Premises under this Lease. Notwithstanding the foregoing, Lessee may assign its interest in this Lease without District consent to (a) an entity wholly owned or controlled by Lessee; ; (b) a limited partnership or limited liability company whose general partner or managing member is Lessee; or (c) Lessee's parent entity, provided, however, such transferee must in all respects attorn to, and agree in writing to be bound by, all provisions of this Lease, and Lessee must indemnify the District for the obligations of such transferee in writing for any and all obligations arising under this Lease, which writing shall be provided to the District prior to the effective date of, and as a condition of, any such transfer.

If District approves the assignment, the approval shall be subject to the satisfaction of the following conditions (“**Transfer Conditions**”):



Attn: General Manager

With a Copy to:

Rutan & Tucker

611 Anton Boulevard

Suite 1400

Costa Mesa, CA 92626

Attn: David B. Cosgrove

If to Lessee:

Cemex Construction Materials Pacific, LLC

4120 E. Jurupa Street

Suite 202

Ontario, CA 91761

Attn: Planning

With a Copy to:

Cemex

10100 Katy Fwy

Houston, TX 77043

Attn: General Counsel

15.2. Interpretation. The terms of this Lease shall be construed in accordance with the meaning of the language used, and shall not be construed for or against either party by reason of authorship. This Lease contains the full agreement of the parties with respect to the subject matter contained herein, and supersedes all prior leases, negotiations, agreements, and/or representations, whether oral or written. Specifically, this Lease supersedes the 2011 Lease and the Red Agg Lease, and any other prior lease agreements between the parties with respect to any

portion of the Premises. All such prior lease agreements are superseded and replaced by this Lease, including any options, rights of first refusal, or other rights that may arise thereunder, all of which are of no force or effect. This Lease constitutes the entire lease agreement between District and Lessee.

15.3. Amendment. This Lease may be amended at any time by mutual agreement of the parties, by an instrument in writing, signed by both parties, and referencing that it is an amendment to this Lease.

15.4. Corporate Authority. The persons executing this Lease on behalf of the parties hereto warrant that (i) the party on whose behalf the signature appears is duly organized and existing; (ii) such party is authorized to execute and deliver this Lease on behalf of such party; (iii) by so executing this Lease, such party is bound to the provisions of this Lease; and (iv) by entering into this Lease, such party does not violate any provision to any other agreement to which said party is bound. .

15.5. Binding on Successors. Subject to the transfer restrictions stated elsewhere in this Lease, this Lease shall be binding upon each party's respective successors and assigns.

15.6. Time is of the Essence. Time is of the essence in this Lease. Failure to comply with any requirement, including but not limited to any time requirement of this Lease shall constitute a material breach of the Lease.

15.7. Severability. The invalidity or illegality of any provision of this Lease shall not affect the remainder of the Lease. The parties hereby declare that it is their intent that,

in the event one or more portions of the Lease is declared invalid or unenforceable, they intend that the remainder of the Lease continue to bind both parties, unless the severed remainder is so essential to the terms of this Lease that additional performance of the Lease is impossible or so uncertain as to render meaningful performance impossible or unrealistic.

15.8. Force Majeure. The time limits provided herein for performance of any actions required hereunder shall be extended during any time, but only during such time, as a party is unable to perform obligations to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, inaccessibility of transportation or critical infrastructure, governmental restrictions or priority litigation, acts of God, or other similar causes beyond the control of, and without the fault of, the party charged to perform. The party to perform shall continue to exercise reasonable diligence to minimize the period of delay during any period of force majeure. An extension of time for any such cause shall be limited to the period of the delay, and shall commence to run from the time of the commencement of the force majeure, provided notice by the party be to perform claiming such extension is sent to the other party within ten (10) days of the commencement of the cause. Any disagreement between the parties regarding the existence or duration of *force majeure* conditions shall be resolved by binding arbitration under Section 8.0 above.

15.9. Attorneys' Fees. In the event of any suit to enforce any provision of this Lease, or to prevent or to correct any breach of this agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, legal or equitable, shall be entitled to reasonable attorneys' fees. As used herein, "attorneys' fees" shall include costs for legal services, and all other reasonable costs for investigating the action, including the

taking of depositions and discovery, and any other recoverable costs. All such fees shall be deemed accrued on the commencement of such action, and shall be enforceable whether or not such action is prosecuted to final judgment. The court or arbitrator in any such action shall be requested to name a prevailing party.

15.10. Counterparts. This Lease may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

Dated: \_\_\_\_\_ SAN BERNARDINO VALLEY WATER  
CONSERVATION DISTRICT

By: \_\_\_\_\_  
Richard Corneille, President

APPROVED AS TO FORM:

RUTAN & TUCKER, LLP

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

Dated: \_\_\_\_\_

CEMEX CONSTRUCTION MATERIALS  
PACIFIC, LLC

By: \_\_\_\_\_  
\_\_\_\_\_

State of California

County of Orange

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day  
of \_\_\_\_\_, 2020, by \_\_\_\_\_,  
proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal: \_\_\_\_\_

Signature \_\_\_\_\_

State of \_\_\_\_\_

County of \_\_\_\_\_

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day  
of \_\_\_\_\_, 2020, by \_\_\_\_\_,  
proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal: \_\_\_\_\_

Signature \_\_\_\_\_

Exhibit "A"  
 Legal Descriptions of: "PREMISES" Properties

	<u>Approx. Acres</u>
<p><u>Parcel I-1:</u> (Portion of WCD Parcel 11-2)            North one-half of the North one-half of Section 11, T. 1 S. R. 3 W., SBB&amp;M, excepting therefrom the North 40 feet.</p>	155
<p><u>Parcel I-2:</u> (Portion of WCD Parcel 11-1)            South one-half of the Southeast Quarter of Section 11, T. 1 S., R. 3 W., SBB&amp;M</p>	80
<p><u>Parcel I-3:</u> (WCD Parcels 12-2 and 12-3)            North one-half of Section 12, T. 1 S., R. 3 W., SBB&amp;M, except that portion lying northeasterly of the southwesterly right-of-way of the AT&amp;SFe Railroad.</p>	143
<p><u>Parcel I-3a:</u> (WCD Parcel 12-3)            Three rights-of-way 80 feet wide across the AT&amp;SFe right-of-way in the Southwest Quarter of the Northeast Quarter of said Section 12, as described in the deed from Charles Elliott to the San Bernardino &amp; Eastern Railway Company</p>	
	Recorded December 15, 1891 Book 144, page 16 of Records of San Bernardino County, California.
<p><u>Parcel II-A:</u> (Portion of WCD Parcel 11-2)            East one-half of the South one-half of the North one-half of Section 11, T. 1 S., R. 3 W., SBB&amp;M</p>	80
<p><u>Parcel II-B:</u> (WCD Parcel 11-3)            North one-half of the Northwest Quarter of the Southwest Quarter of Section 11, T. 1 S., R. 3 S., SBB&amp;M</p>	20
<p><u>Parcel II-C:</u> (WCD Parcel 11-4)            Northeast Quarter of the Southwest Quarter of Section 11, T. 1 S., R. 3 W., SBB&amp;M</p>	40

Saving and excepting from the above parcels the main canal of lessor which crosses the property in an east-west direction and reserving unto lessor an easement 40 feet wide across the property adjacent to the Southerly boundary.

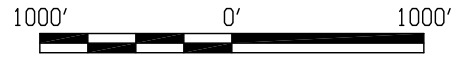
Parcel II-D: (Portion of WCD Parcel 10-2)  
 A non-exclusive easement across the North 60 feet of the North one-half of the Southeast Quarter of Section 10, T. 1 S., R. 3 W., SBB&M.

	<u>Approx. Acres</u>
<u>Parcel II-E:</u> (Portion of WCD Parcel 11-2) West one-half of the South one-half of the North one-half of Section 11, T. 1 S., R. 3 W., SBB&M	80
<u>Parcel III-A:</u> (Portion of WCD Parcel 11-1) The North one-half of the Southeast Quarter of Section 11, T. 1 S., R. 3 W., SBB&M	80
<u>Parcel III-B:</u> (WCD Parcel 10-2) The North one-half of the Southeast Quarter of Section 10, T. 1 S., R. 3 W., SBB&M, except the westerly 130+ feet thereof.	75
<u>Parcel IV-A:</u> (WCD Parcel 9-2) South one-half of the Northeast Quarter of Section 9, T. 1 S., R. 3 W., SBB&M.	80
<u>Parcel IV-B:</u> (Portion of WCD Parcel 9-1) North one-half of the Southeast Quarter of Section 9, T. 1 S., R. 3 W., SBB&M.	80

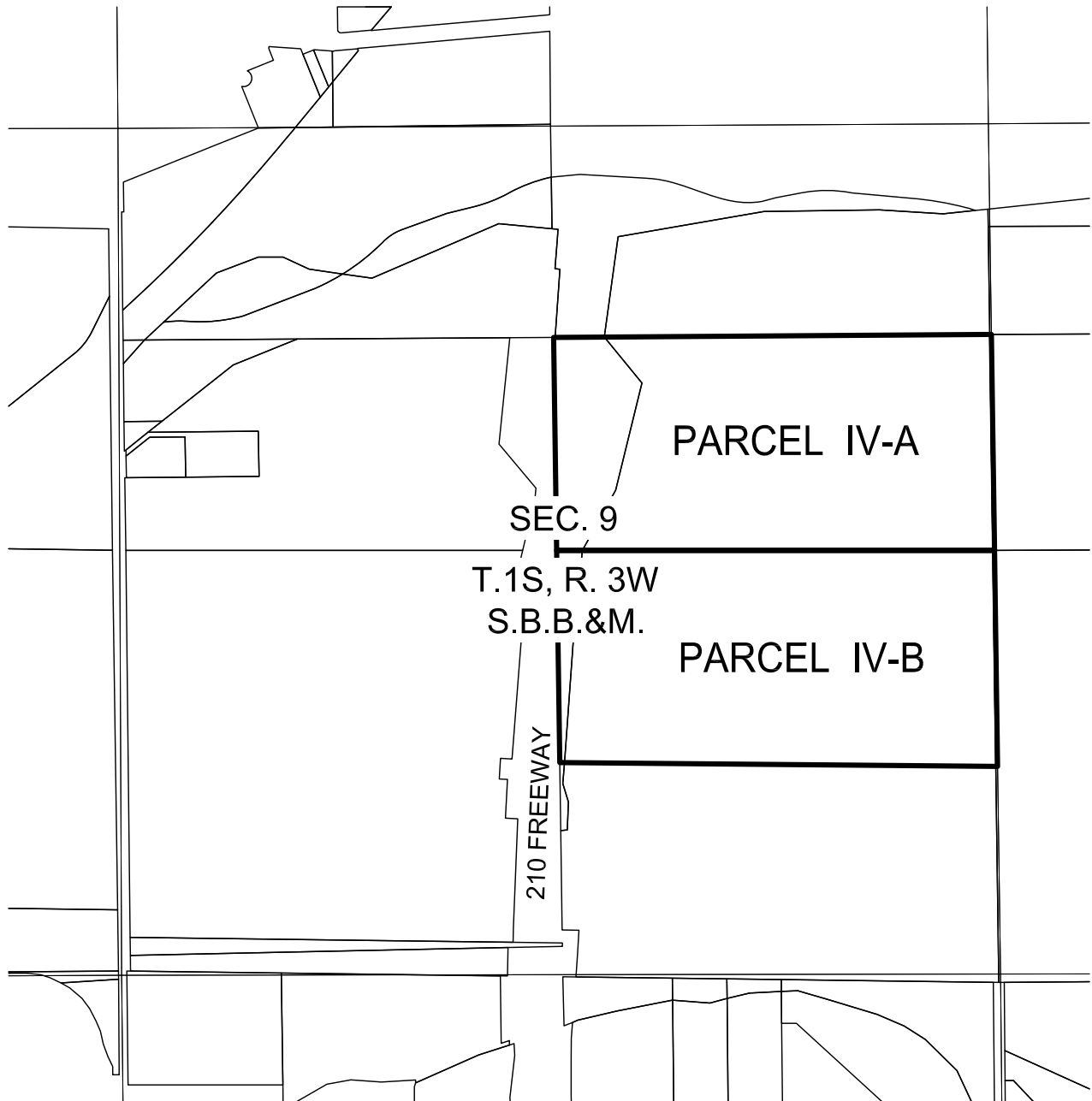
# EXHIBIT "B"

SHEET 1 OF 4

NOV. 15, 2011



SCALE: 1"=1000'



SEE SHEET 2 OF 4



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

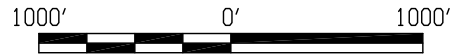
234 N. Arrowhead Ave., San Bernardino, CA. 92408  
Phone: (909)885-3806 Fax: (909)381-1721

# EXHIBIT "B"

(CONTINUED)

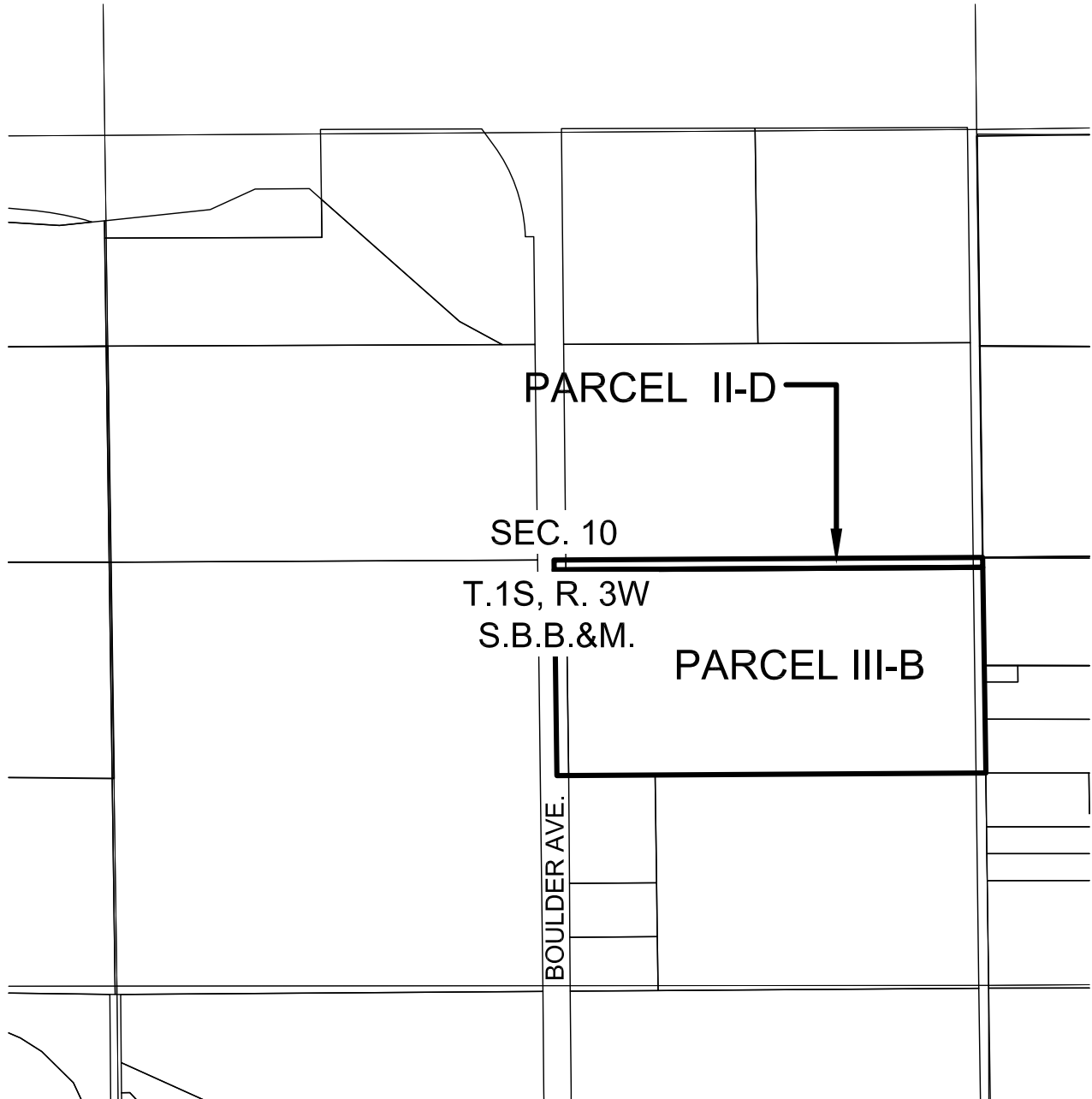
NOV. 15, 2011

SHEET 2 OF 4



SCALE: 1"=1000'

SEE SHEET 1 OF 4



SEE SHEET 3 OF 4



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

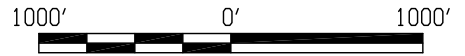
234 N. Arrowhead Ave., San Bernardino, CA. 92408  
Phone: (909)885-3806 Fax: (909)381-1721

# EXHIBIT "B"

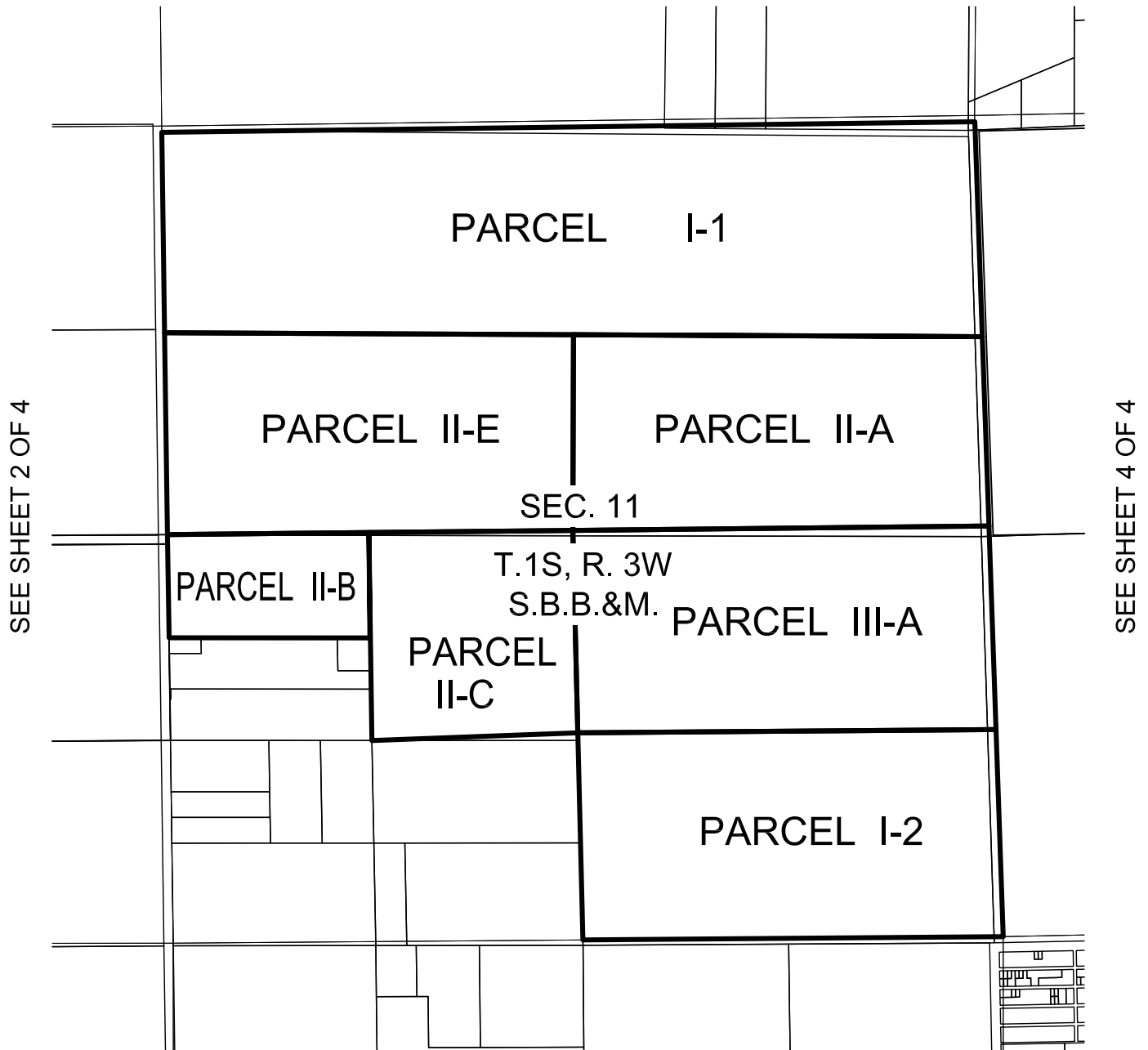
(CONTINUED)

NOV. 15, 2011

SHEET 3 OF 4



SCALE: 1"=1000'



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

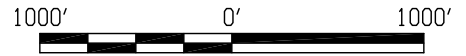
234 N. Arrowhead Ave., San Bernardino, CA. 92408  
Phone: (909)885-3806 Fax: (909)381-1721

# EXHIBIT "B"

SHEET 4 OF 4

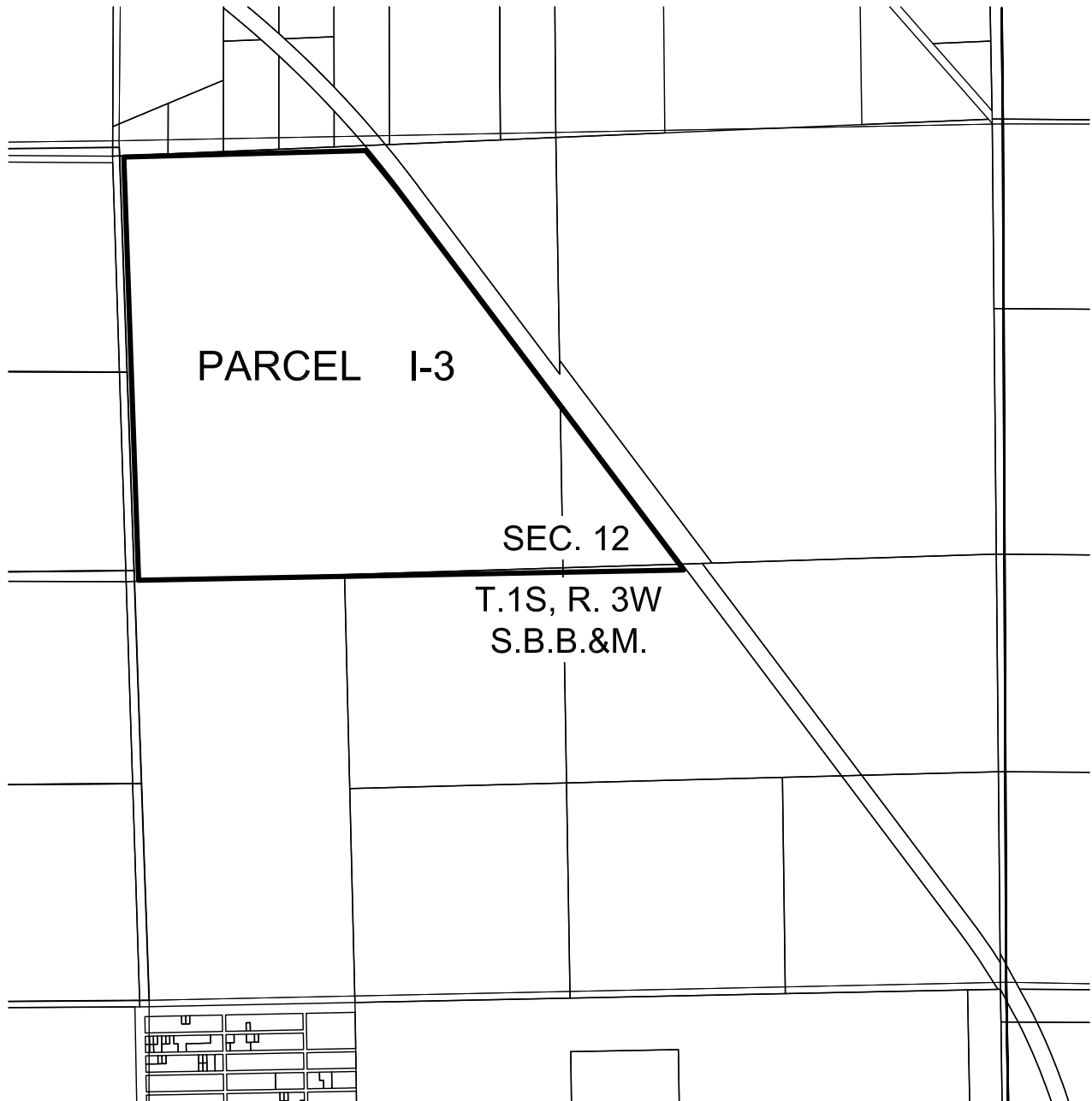
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NOV. 15, 2011



SCALE: 1"=1000'

SEE SHEET 3 OF 4

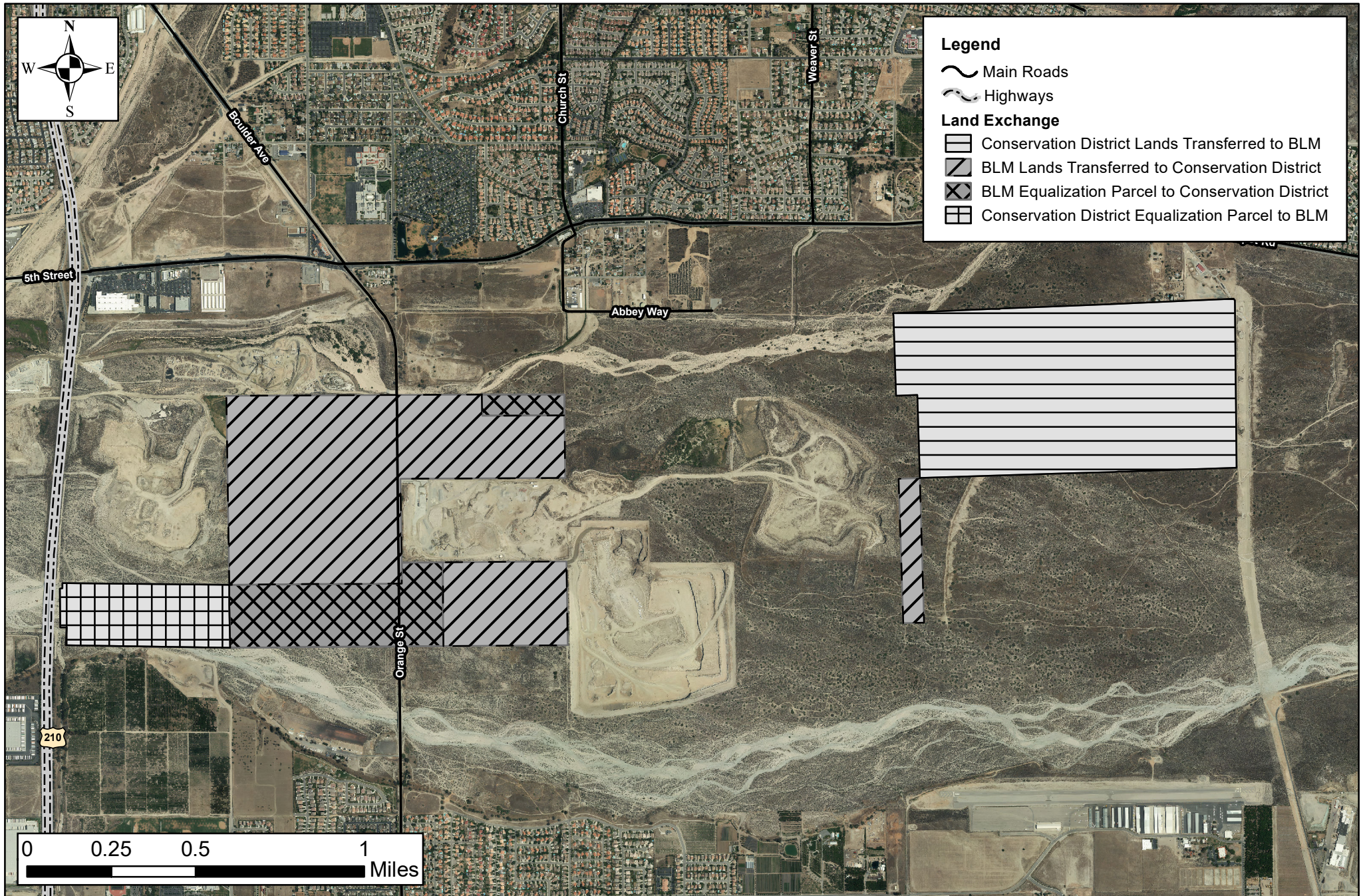


**JOSEPH E. BONADIMAN & ASSOCIATES INC.**  
consulting engineers land surveyors

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

# Exhibit C Land Transfer

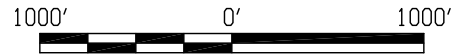
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Datum: North American 1983  
Source: SBVWCD, CASIL, SBVMWD  
GIS Contact: Katelyn Scholte  
M:\Mining and Material Processing\Cemex\Agreement Maps  
June 10, 2020



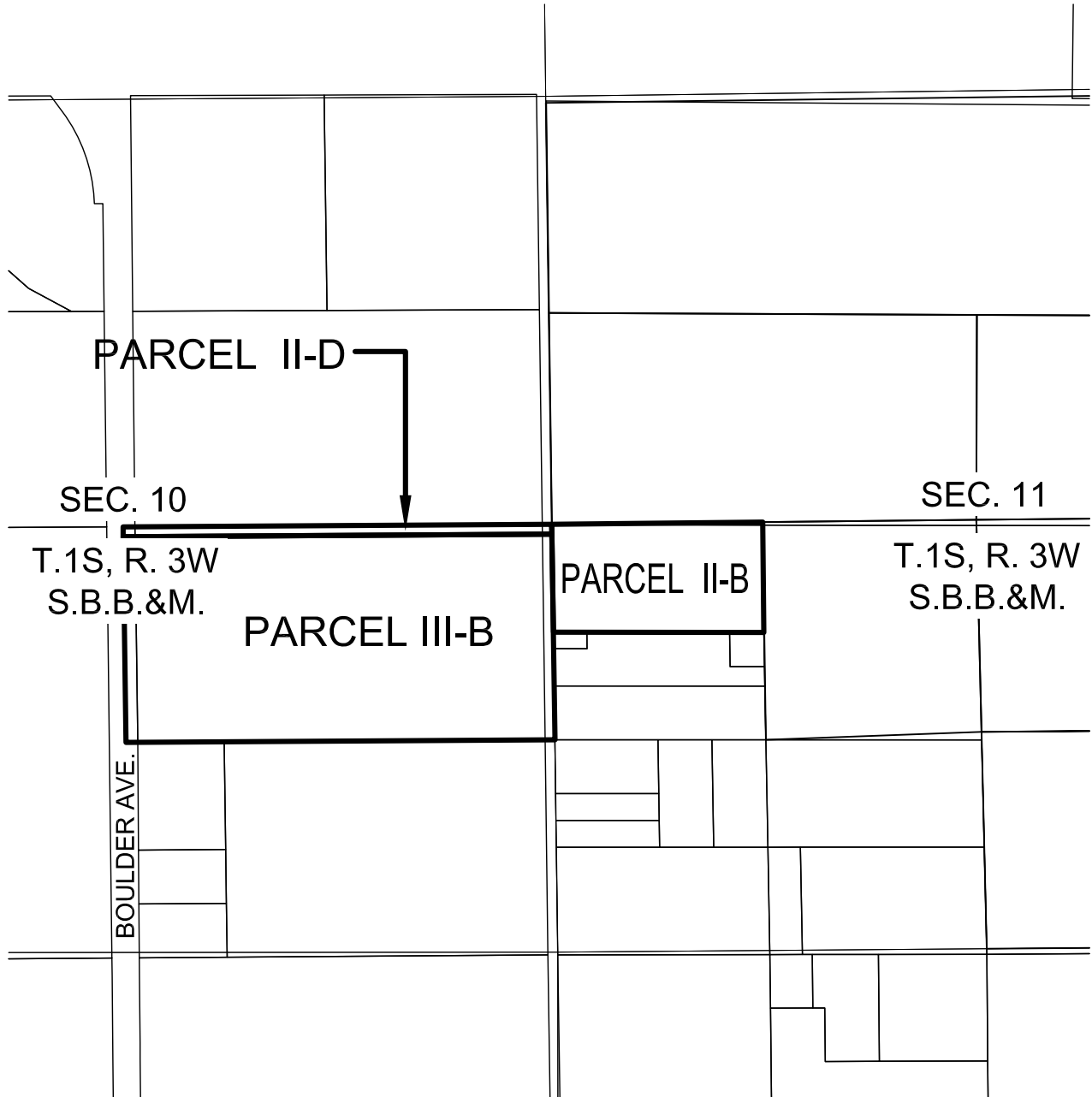
# EXHIBIT "D"

## "ORANGE STREET PLANT SITE"

NOV. 15, 2011



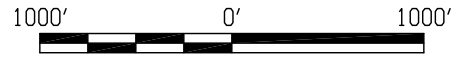
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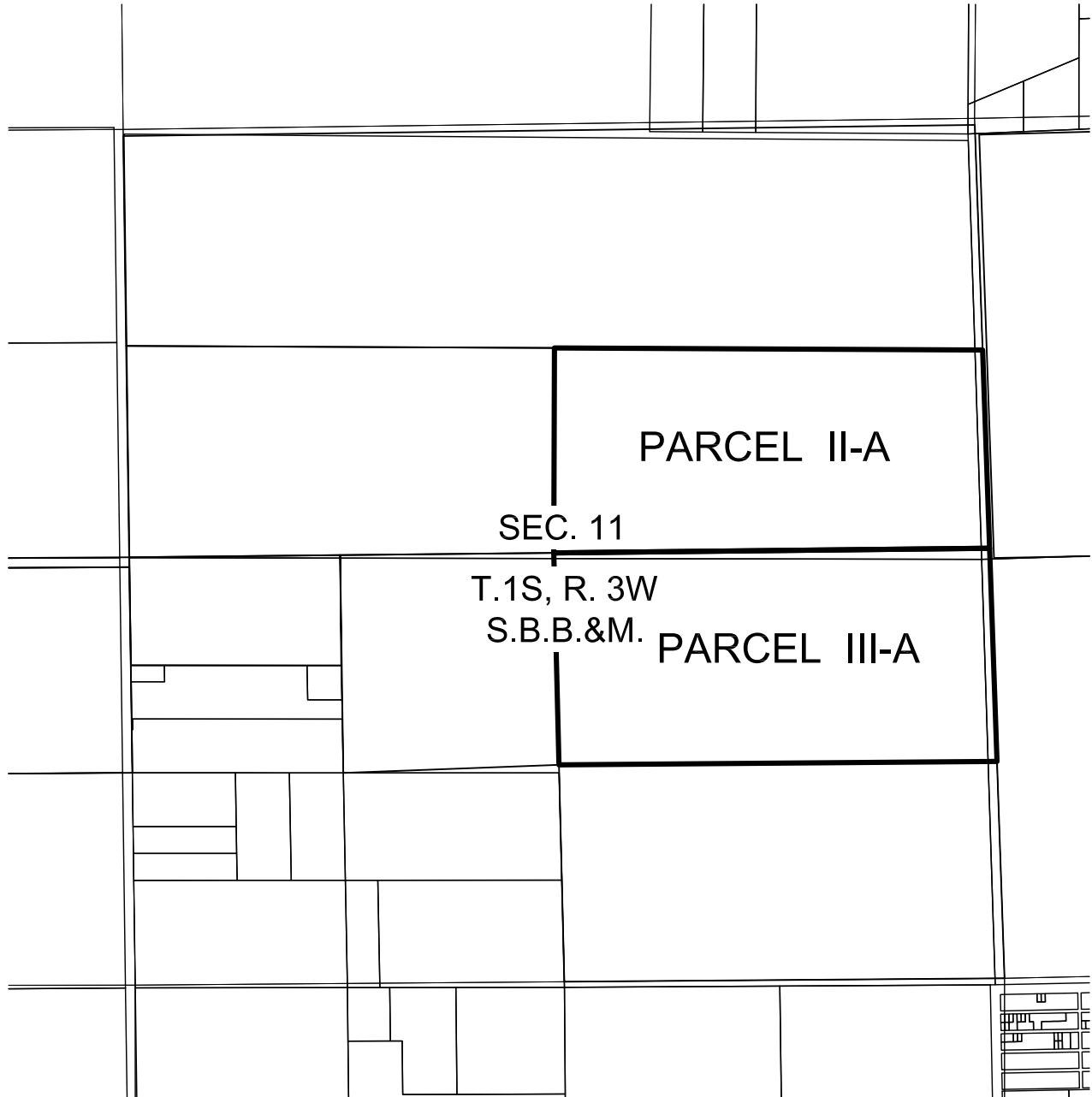
**JOSEPH E. BONADIMAN & ASSOCIATES INC.**  
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**EXHIBIT "E"**  
**"REDLANDS AGGREGATES SITE"**  
NOV. 15, 2011



SCALE: 1"=1000'



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consulting engineers land surveyors

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# Exhibit F Improvements

Coordinate System:  
NAD 1983 StatePlane California V FIPS 0405 Feet  
Projection: Lambert Conformal Conic  
Datum: North American 1983  
Source: SBVWCD, CASIL, SBVMWD  
GIS Contact: Katelyn Scholte  
M:\Mining and Material Processing\Cemex\Agreement Maps  
June 11, 2020



**Legend**

- Main Roads
- Highways
- Improvements

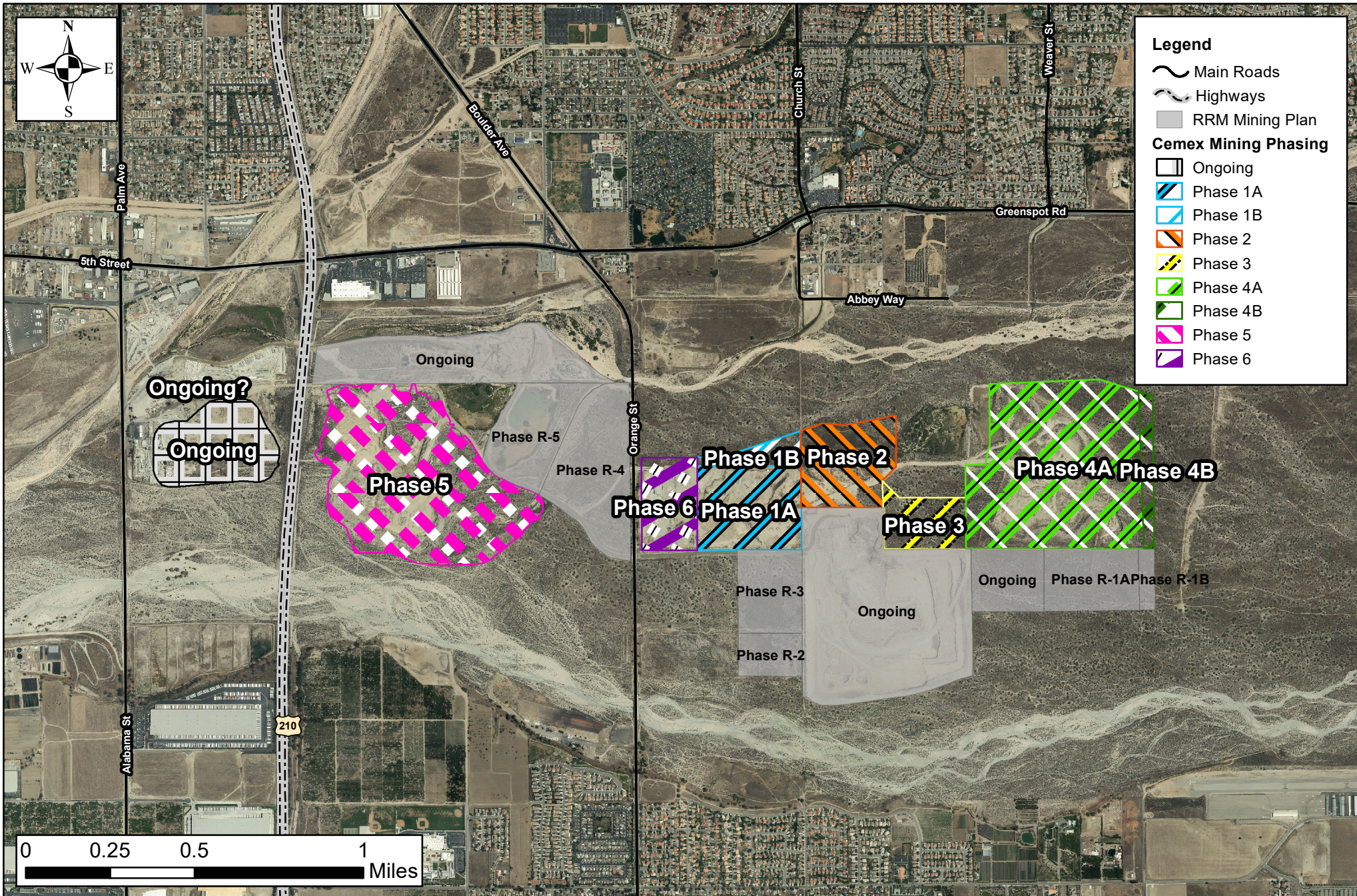


# Exhibit G Royalty Recovery Area

Coordinate System:  
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 Projection: Lambert Conformal Conic  
 Datum: North American 1983  
 Source: SBVWCD, CASIL, SBVMWD  
 GIS Contact: Katelyn Scholte  
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 June 11, 2020



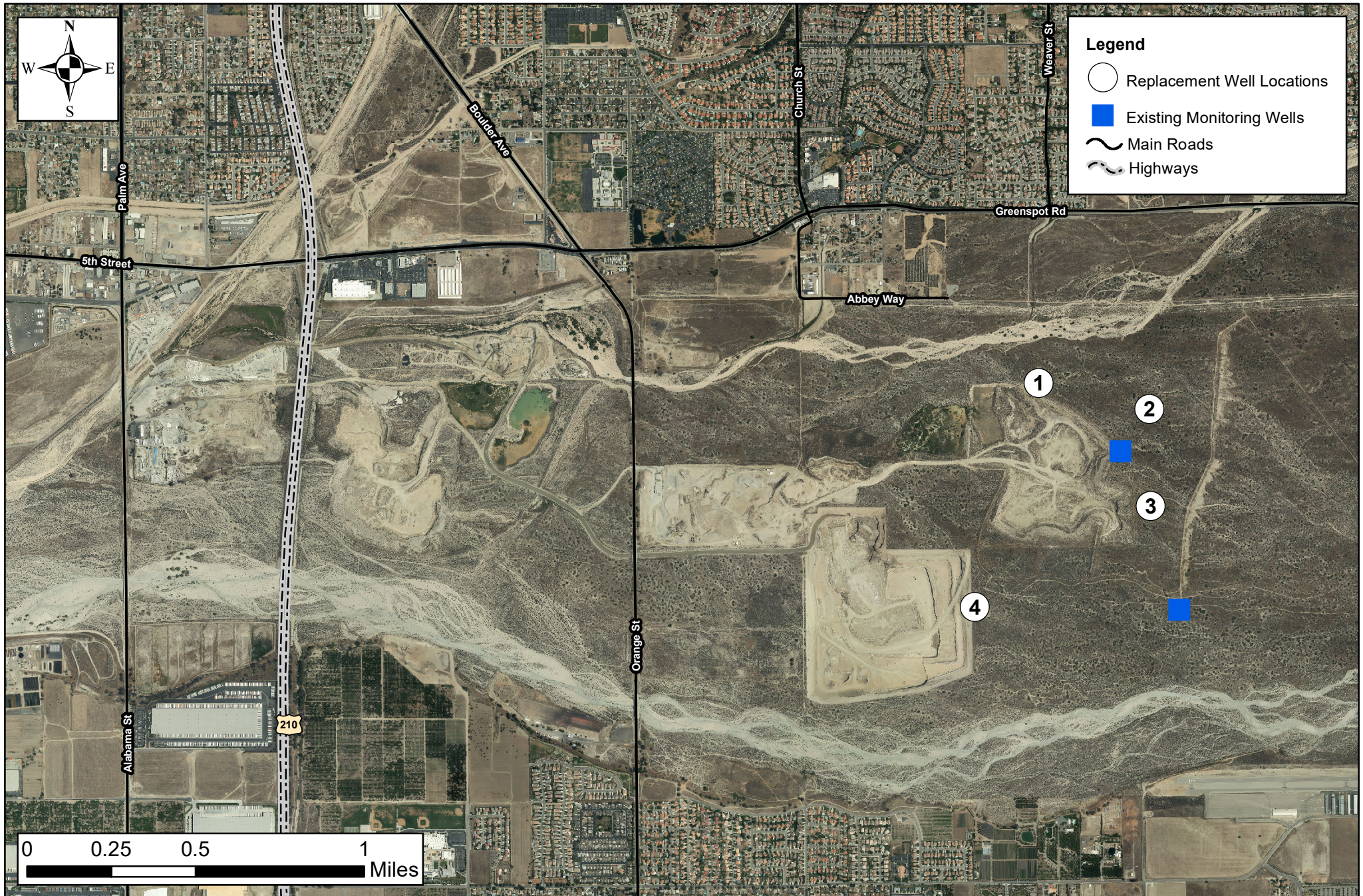
San Bernardino Valley  
 Water Conservation District  
 Helping Nature Store Our Water



# Exhibit H

## Groundwater Monitoring Well Locations

Coordinate System:  
NAD 1983 StatePlane California V FIPS 0405 Feet  
Projection: Lambert Conformal Conic  
Datum: North American 1983  
Source: SBVWCD, CASIL, SBVMWD  
GIS Contact: Katelyn Scholte  
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June 11, 2020



# Exhibit I Silt Pond Locations

Coordinate System:  
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Projection: Lambert Conformal Conic  
Datum: North American 1983  
Source: SBVWCD, CASIL, SBVMWD  
GIS Contact: Katelyn Scholte  
M:\Mining and Material Processing\Cemex\Agreement Maps  
June 11, 2020



# General Manager's Report

For August 6, 2020, to September 2, 2020  
Daniel B. Cozad



**San Bernardino Valley  
Water Conservation District**  
Helping Nature Store Our Water

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The District has increased District work despite having much of the staff working from home or in the field. While we are still in Phase 3 COVID 19 response if transmission rates continue to decline we will be prepared to move toward a more "normal" office and staffing situation during late September/October based on County and State Health officer guidance. Safeguarding the health and safety of our staff is the primary driving factor.

The following report covers the weeks between meetings and the efforts and activities during the reporting period.

- 1. Water Conservation – Plan Goal 1** – Without rains since May and many hot days, flows in Mill Creek, and Santa Ana River remain low. SOD continues to flow about 6-9 CFS, and Mill Creek has no flow for recharge. Mill Creek Recharge is 7,324 AF for the water year. The Santa Ana River recharge totals are about 20,100 AF for the water year. Total recharge for the year is approximately 27,420 AF.
- 2. Facility Maintenance and Cleanout – Plan Goal 1** – Jacinto completed cleaning and ripping in the SAR spreading grounds in early March. Additional cleaning was completed in the Pit with rock loaded and taken to the Plunge Creek area for the Plunge Creek Conservation work. Staff cleaned 10 South and nearby basins as well as road repair and support for Plunge Creek work with rented equipment, as needed.
- 3. Aggregate Management – Plan Goal 1** – Upland Rock continues to sell sand and rock from District basin cleaning efforts.
- 4. Personnel/Administration/Staff** – Staff continues to monitor and implement the District Extreme Flu/COVID19 plan. The District continues to operate in Stage 3. We follow the recommendations of the SBC Public Health officer and State Public Health Officer. Rotating employees staff a minimal office crew and other staff work from home. Staff determined not to implement the Payroll Tax Deferral for the District staff.
- 5. Finance/Budget/Audit** – Staff and Rogers Anderson Malady and Scott have completed financial reports and 2020 Audit for the District and Trust. The Ad Hoc Audit Committee will meet in late September to review the Draft Audit Report. The audit is expected to be presented to the Board in October.
- 6. Mill Creek Diversion Engineering – Plan Goals 1/4** – Erwin makes reports on the engineering and construction projects at meetings when there are updates not included in agenda items. The USACOE is reviewing section 408 and 404 materials.

7. **Plunge Creek Conservation Project** – *Plan Goals 1/4* – Construction has been occurring all month in August and is expected to be completed in Mid-September. Project engineering changes, video, habitat and project management by District staff and Project biologist are ongoing. Major element, canals, and splitter mounds are complete and construction wrapup is planned for next week. Demo and cleanup, as well as post construction restoration and biological monitoring remain on schedule. Members of the Board toured the construction progress at various times over the past two weeks. When complete a more formal ribbon cutting will be held.



8. **Enhanced Recharge Project** – *Plan Goal 1* – The Enhanced Recharge Phase 1A is completed. Engineering design is nearing completion for the new basins, which are scheduled for construction in 2021. Wash Plan and other permitting are needed to proceed. Staff have attended field meetings and provided input on the design changes and revisions SBVMWD staff are working on 90% design documents with the consultant engineers. Improvements at the Cuttle Weir are permitted in the River Habitat Conservation Plan and will follow its approval in 2022 or after that.
9. **Active Recharge Transfer Project Partnership** – *Plan Goals 1, 2, and 4* – The Committee met on July 9, 2020. Staff prepared a report for the meeting and distribution to the partners, which is attached. Robertson's is reviewing a third draft agreement supporting the Plunge Creek Quarry Recharge Basin developed by staff and legal counsel. Staff developed Policy Principles and Program Management documents for review with the Operations Committee and later presentation to the Policy Committee. The ARTP Policy Committee next meet in October.
10. **Edison Divestiture to Water Users** – *Plan Goals 1/4* – The Committee held two meetings in August to continue discussions and coordination.
11. **Shop Facilities for Field Staff** – *Plan Goals - 1* – Staff prepared a scope of work for architectural services at the direction of the Operations Committee. Staff completed a Needs and Planning memo for field staff facilities as requested by the Operations Committee. Staff will move forward once the Committee has an opportunity to review the materials. These activities are being delayed by priority actions, primarily Plunge Creek Construction. Staff will present the evaluation of facilities and locations to the Operations Committee in September.
12. **Groundwater Council** – *Plan Goal 1* – The Groundwater Council met on August 10, which marked West Valley Water District's first meeting. SBVMWD invoiced them for

current and back fees and will remit Operations and Maintenance fees to the District upon payment. Redlands will likely consider the agreement in September or October given COVID19 and budget issues. Invoices to members were sent in July. The Council's next meeting is on October 12, 2020.

- 13. Wash Plan – Plan Goal 4** – The Wash Plan has a separate report listed on the agenda. Staff scheduled a kickoff meeting and tour for AECOM who has begun work on the permitting strategy State and Waters Permits. Staff works with Task Force Members on their covered activities for COI and State/Waters permits.
- 14. Santa Ana River Wash Plan Land Exchange Act Implementation – Plan Goal 4** – S.-47 was passed and signed by the President becoming PL 119-6. Staff, District Counsel, and special legal counsel are working closely with BLM to expedite the exchange. A Chain of Title and environmental review has been prepared; the updated Mineral Potential Report is complete. The appraisal procurement process resulted in none of the four prequalified firms submitting a proposal. Appraisal Directorate and District Counsel are working to identify alternatives to move the appraisal forward. Staff and Special Counsel are working with the new BLM State Director's office to complete the final MOU. With feedback from the DOI solicitor, we expect this will be completed in November 2020.
- 15. Conservation Trust – Plan Goal 4** – The Conservation Trust Board of Directors met on July 13 and will meet again in October. Staff has met with entities with which a deposit agreement is on file. Most projects continue to move forward slowly. The SBCTA project is progressing. The District and Trust have been reimbursed for services and funding for conservation easements and will make contributions to the endowment. SBKR are often in the District Headquarters awaiting release back to their habitat.
- 16. Property/Redlands Plaza** – Staff continues to manage Redlands Plaza and various issues related to tenants and maintenance. Staff is working with Red Dragonfly Spa and the City of Redlands on code compliance and other matters. All units are now fully leased. Staff successfully reached agreement with Lightway Church on tenant improvements and District participation to complete their permits. Staff is working with Hello Sushi to evaluate their request to install solar.
- 17. Mining** – Mining efforts by CEMEX contractors continue on the Plant Site quarry. District Counsel has provided revisions to the existing lease related to Wash Plan implementation. Once CEMEX reviews, the final draft lease is on the Board Agenda for review and consideration at this meeting.
- 18. Public Outreach and Legislative – Plan Goal 5** Staff worked with consultants to coordinate PR for the Wash Plan HCP and implementing the outreach efforts for Plunge Creek implementation. Staff coordinated and presented background on the District, Wash Plan Implementation and MOUs with SBCFCD to Supervisor Dawn Rowe's Policy Director.
- 19. Community Recharge and Mitigation – Plan Goal 1 and 4** – The 2017 Community Strategic Plan (CSP) included this effort for planning and implementation. The Active Recharge Transfer Projects in the Partnership Agreement are the first efforts under this

goal. Additional recharge options where flows and open space allow recharge will be sought as staff has time.

**20. Current Board Action Implementation** – Many priority efforts have separate sections of the General Manager's Report, or independent Board requested reports. Staff and District Counsel worked closely on EHL/CBD v. USACOE settlement-related studies, and the Phase 3 study is ongoing.

**21. Future Board Activities** – Expected short-term items for consideration or note

- BLM Land MOU working with regional manager to complete for October
- Operations Committee meeting in September
- District Audit presentation in October
- MOU with SBC Flood Control District October or November
- Plunge Creek PSA with Robertsons in October or November
- Exchange Plan Agreement in November or December

**22. District Successes**

- Staff worked were certified on several pieces of heavy equipment that they use or could be using, backhoe, skid loader, dozer and others.
- Special congratulations to our field staff and contractors for completing the major components of the Plunge Creek Conservation project ahead of schedule. Without injuries or significant change orders. Erwin and Katelyn did not get heat stroke while working during some of the hottest days of the year.
- Wash Plan State/Waters Permitting was kicked off in record time and consultants AECOM are underway on the permitting strategy.

# San Bernardino Valley Water Conservation District

## Monthly Recharge Report

From: 8/1/2020  
To: 8/31/2020



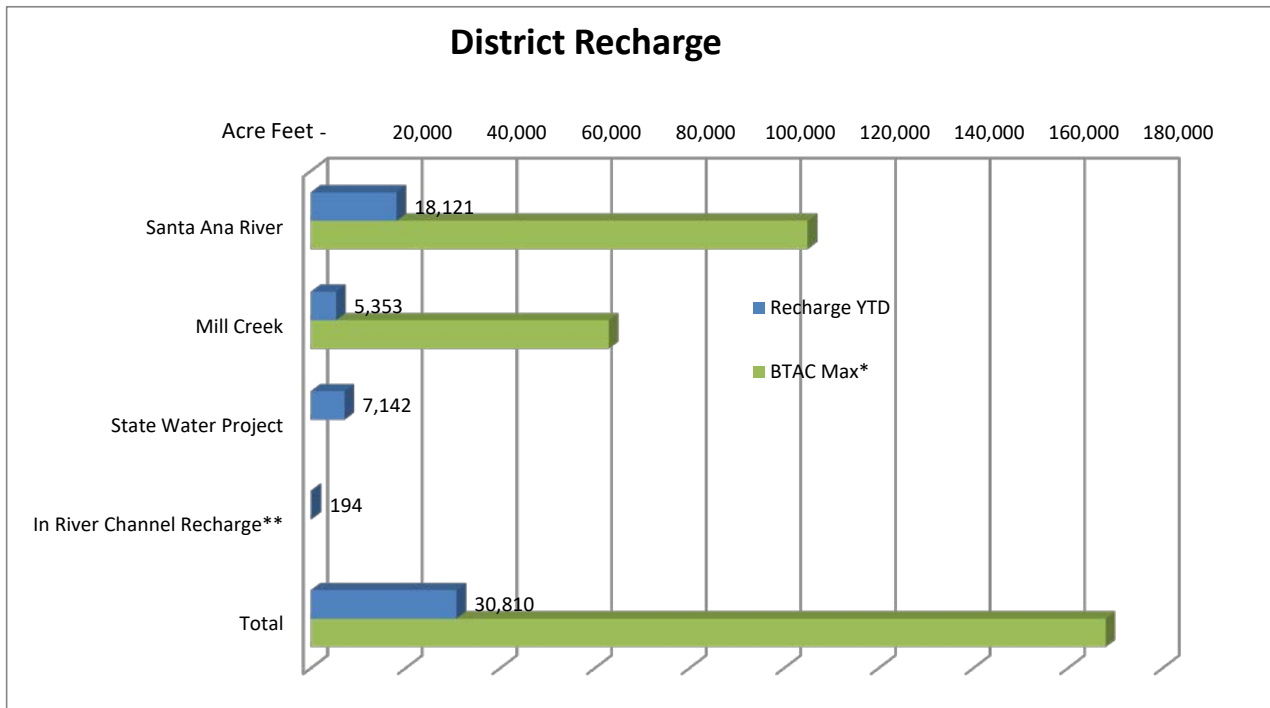
	August				
	Avg Daily Recharge	Monthly Recharge	Recharge YTD	BTAC Max*	% Max
Santa Ana River	14.1	438	18,121	105,000	17%
Mill Creek	1.2	37	5,353	63,000	8%
State Water Project	0.0	-	7,142	NA	NA
In River Channel Recharge**	0.0	-	194	NA	NA
<b>Total</b>	<b>15</b>	<b>475</b>	<b>30,810</b>	<b>168,000</b>	<b>18%</b>

Values in Acre Feet

\*BTAC Revised Max in December 2019

\*\*Monitoring began in Mid-April 2011

\*\*\* All Values Based on Water Year Oct-Sep 2020





# 2020 Board Calendar - San Bernardino Valley Water Conservation District

JANUARY						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Jan. 8 Board Meeting  
Jan. 22 2<sup>nd</sup> Qtr. Finance & Admin Mtg.

JULY						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Jul. 8 Board Meeting  
Jul. 22 4<sup>th</sup> Qtr. Finance & Admin Mtg.

FEBRUARY						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

Feb. 12 Board Meeting

AUGUST						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Aug. 12 Board Meeting

MARCH						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Mar. 11 Board Meeting  
Engineering Investigation Report Presentation  
Mar. 25 3<sup>rd</sup> Qtr. Finance & Admin Mtg.

SEPTEMBER						
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Sept. 9 Board Meeting

APRIL						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Apr. 8 Board Meeting  
Public Meeting/Groundwater Charge  
Apr. 22 Board Meeting  
Public Hearing/Groundwater Charge

OCTOBER						
S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Oct. 14 Board Meeting

MAY						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

May 27 Board Meeting

NOVEMBER						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Nov. 18 1<sup>st</sup> Qtr. Finance & Admin Mtg. (@9:00 a.m.)  
Nov. 18 Board Meeting (@ 1:30 p.m.)

JUNE						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Jun. 10 Board Meeting

DECEMBER						
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Dec. 9 Board Meeting (@ 9:00 a.m.)  
Holiday Luncheon