



SAN ANTONIO WATER COMPANY

BOARD OF DIRECTORS MEETING

Tuesday, July 18, 2023 at 5:00 p.m.

In the Upland City Hall Council Chambers

460 N. Euclid Avenue, Upland, CA 91786

And Virtual/Online or Teleconference

Members of the public may join the meeting by computer, tablet or smartphone.

<https://meet.goto.com/928900645>

You can also dial in using your phone.

Access Code: 928-900-645

United States: [+1 \(408\) 650-3123](tel:+14086503123)

- Call to Order
- Salute to the Flag

1. Recognitions and Presentations:
2. Additions-Deletions to the Agenda:
3. Shareholder-Public Testimony:

This is the time for any shareholder or member of the public to address the board members on any topic under the jurisdiction of the Company, which is on or not on the agenda. Please note, pursuant to the Brown Act the board is prohibited from taking actions on items not listed on the agenda. For any testimony, speakers are requested to keep their comments to no more than four (4) minutes, including the use of any visual aids, and to do so in a focused and orderly manner. Anyone wishing to speak is requested to voluntarily fill out and submit a speaker's form to the manager prior to speaking.

4. Consent Calendar Items:

All items listed hereunder are considered to be routine and there will be no separate discussion of these items unless members of the board request specific items to be removed from the consent calendar for separate action. All items listed or remaining will be voted upon in a single action.

- A. Approval of Board Meeting Minutes
Regular Meeting Minutes of June 20, 2023.
- B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
Approve Meeting Minutes of April 25, 2023.
- C. Administration and Finance Committee (AFC) Meeting Minutes
No meeting minutes to approve.
- D. AdHoc Committee for Office Feasibility Study
No meeting minutes to approve.
- E. Financial Statement
Income Statement and Balance Sheet for May 31, 2023.
- F. Investment Activity Report
Monthly Report of Investments Activity.
- G. Water Production and Consumption
Monthly water production and consumption figures.
- H. Prominent Issues Update
Status summaries on certain on-going active issues.
- I. Projects and Operations Update
Status summaries on projects and operations matters.
- J. Groundwater Level Patterns [Quarterly in January, April, July, and October]
Tracking patterns of groundwater elevations relative to ground surface.
- K. Conservation Program Update [Quarterly in January, April, July, and October]
Update on SAWCo's existing water conservation programs
- L. Correspondence of Interest

5. Board Committee – Delegate Report:
 - A. PVPA Representative Report
Verbal report by representative.
 - B. Six Basins Representative Report
Verbal report by representative.
 - C. Chino Basin Representative Report
Verbal report by representative.
 - D. Cucamonga Basin Representative Report
Verbal update by representative.
 - E. Administration and Finance Committee (AFC) Chairman’s Report
Verbal report on May 23, 2023 meeting.
 - F. Planning, Resources, and Operations Committee (PROC) Chairman’s Report
Verbal report on June 27, 2023, meeting.
 - G. Office & Yard Feasibility Study Ad Hoc Committee
No meeting to report.
6. General Manager’s Report on Activities
 - A. Well 19 Long Screen Test Well Construction
Possible Action to authorize Change Order #1.
7. Closed Session: None.
8. Director’s Comments and Future Agenda Items:

Adjournment:

The next regular Board Meeting will be held on Tuesday, August 15, 2023 at 5:00 p.m.

NOTE: All agenda report items and back-up materials are available for review and/or acquisition from the Company Office (139 N. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Thursday [8:00a – 11:30a and 12:30p – 4:00p] and alternating Fridays [8:00a – 11:30a and 12:30p – 3:00p] and on the Company’s website www.sawaterco.com. The agenda is also available for review and copying at the Upland Public Library located at 460 N. Euclid Avenue.

POSTING STATEMENT: On July 13, 2023, a true and correct copy of this agenda was posted at the entry of the Water Company’s office (139 N. Euclid Avenue), on the City of Upland public bulletin board (450 N. Euclid Ave.), Public Library (460 N. Euclid Ave.), and on the Water Company’s website.

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, June 20, 2023

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:01 p.m. on the above date at the City of Upland Council Chambers, 460 N. Euclid Ave., Upland, California. Directors present were Rudy Zuniga, Will Elliott, Bob Cable, Martha Goss, Bill Velto, Kati Parker, and Bob Bowcock. Also in attendance were SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, General Legal Counsel Derek Hoffman, Senior Administrative Specialist Kelly Mitchell and Administrative Specialist Tiffany Dickinson. President Zuniga presided.

Director Velto led all in attendance in the flag salute.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: None.
3. Shareholder-Public Testimony: None.
4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes of May 16, 2023.
 - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes
No Meeting Minutes to Approve.
 - C. Administration and Finance Committee (AFC) Meeting Minutes
Approve Meeting Minutes of March 28, 2023.
 - D. AdHoc Committee for Office Feasibility Study
No meeting minutes to approve.
 - E. Financial Statement
Income Statement and Balance Sheet for April 30, 2023.
 - F. Investment Activity Report
Monthly Report of Investments Activity.
 - G. Water Production and Consumption
Monthly water production and consumption figures.
 - H. Prominent Issues Update
Status summaries on certain on-going active issues.
 - I. Projects and Operations Update
Status summaries on projects and operations matters.
 - J. Groundwater Level Patterns [Quarterly in January, April, July, and October]
Tracking patterns of groundwater elevations relative to ground surface.
 - K. Conservation Program Update [Quarterly in January, April, July, and October]
Update on SAWCo's existing water conservation programs.
 - L. Correspondence of Interest

Director Elliott moved and Director Goss seconded to approve the Consent Calendar as presented. Motion carried unanimously.

5. Board Committee – Delegate Report:
 - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Parker reported on the PVPA meeting held on Wednesday, June 14th. There is consideration for installing some monitoring wells upgradient and downgradient from the new basin.

Director Parker informed the Board she attended the City of Claremont June 7th Stone Canyon meeting. Representing both Six Basins and PVPA, Chris Diggs addressed rising groundwater concerns. West Yost also presented information regarding the rising groundwater at the meeting.

- B. Six Basins Representative Report** – Ms. Layton reported a meeting was held on May 24th however, staff was unable to attend. A workshop between the City of Claremont, Six Basins, and the Stone Canyon residents was held on June 7th. There was a presentation of the findings showing that Six Basins and spreading done by PVPA was not responsible for the water damage to the residences. The presentation is available on the Six Basins website.

The next Six Basins Watermaster Meeting is scheduled for June 28th.

- C. Chino Basin Representative Report** – Mr. Lee reported the new judge has requested a tour of the facilities. There is discord among the parties in determining what the tour will include and whom will be participating.
- D. Cucamonga Basin Representative Report** – Mr. Lee stated Cucamonga Valley Water District (CVWD) hosted a presentation of the basin model by the basin’s hydrogeologist. Feedback was provided and staff look forward to using the model in the near future. An informal meeting with the parties, hydrogeologist, and the Board members will be scheduled in the near future as well.
- E. Administration and Finance Committee (AFC) Chairman’s Report** – Director Cable advised the items discussed at the most recent AFC meeting are included in the General Manager’s Report on Activities.
- F. Planning, Resources, and Operations Committee (PROC) Chairman’s Report** – No meeting to report.
- G. Office Feasibility Study Ad Hoc Committee** – No meeting to report.

6. General Manager’s Report on Activities:

- A. Investment Advisor Proposal Response** - Mr. Lee stated SAWCo has utilized Equity Services for investment advising for several years. Staff felt it prudent to request proposals from other investment advisors to determine whether they are receiving the best value and services. A Request for Proposal (RFP) was released to several firms, however only two proposals were received: one from Equity Services and the other from Ali Rahimi with Morgan Stanley.

Mr. Lee and the AFC recommend the Board approve maintaining the current relationship with Equity Services for investment advising but hire Morgan Stanley to perform benchmarking analysis.

Director Elliott suggested bringing the scope of services with associated costs to the next Board meeting for discussion and possible approval.

- B. Information Technology Proposal Response** – Mr. Lee advised that SAWCo has utilized Inland Productivity Solutions information technology (IT) services for several years. Again, staff felt it prudent to request proposals from other IT companies to determine whether they are receiving the best value and services. An RFP was released to several IT companies, however only two proposals were received: one from Inland Productivity Solutions and the other from CS2K.

Inland Productivity Solutions provided a more customized proposal at a lower cost therefore, Mr. Lee and the AFC recommend the Board authorize the General Manager to sign the contract with Inland Productivity Solutions.

Director Elliott moved and Director Velto seconded to approve authorizing the General Manager to sign the contract with IPS as presented. Motion carried unanimously.

- C. Stock Auction – November 2023** – Mr. Lee stated there are two stock certificates totaling $\frac{3}{4}$ share that qualified for the stock auction. The schedule for the stock auction is included in the Board meeting agenda packet. He asked for approval to move forward with the stock auction as presented.

Director Cable moved and Director Parker seconded to approve the stock auction as presented. Motion carried unanimously.

- D. Update of Fee Schedule** – Mr. Lee advised the fee schedule for meter and related fees has not been updated since January 1, 2020. Due to inflation, the costs for meter and meter box fees and service laterals for new installations and meter upgrades have increased to an amount now greater than the current adopted fees. Staff has compiled detailed research included in the packet.

Mr. Lee and the AFC recommend the Board update the meter, meter box, and service lateral fees as presented.

Director Parker moved and Director Goss seconded to approve the update in fees charged for the meter, meter box, and service lateral fees as presented. Motion carried unanimously.

- E. Adjust Online Payment Transaction Charges** – Mr. Lee stated SAWCo currently charges a transaction fee of 1% for all online bill payments made with a credit card or debit card. The cost the company incurs for these payments is greater than this amount. Staff would like to adjust the amount of the transaction fee in order to better balance the difference in what SAWCo charges the customer and what SAWCo is charged by the credit card companies.

Mr. Lee and the AFC recommend the Board approve adjusting the transaction fee for online payments from a 1% fee to a flat \$3 charge.

Director Velto moved and Director Elliott seconded to approve adjusting the transaction fee for online payments from a 1% fee to a \$3 charge. Motion carried unanimously.

- F. Adjust Tier 2 Rates for Remainder of Calendar Year** – Mr. Lee advised that due to the amount of unanticipated rainfall earlier in the year, SAWCo is in a position where they have excess canyon water and excess tunnel water. Staff would like to pass this on as a benefit to their shareholders by reducing the Tier 2 water rate to the amount of the Tier 1 water rate. It was originally thought to raise the entitlement to water, however, the amount of water received next year is not guaranteed. SAWCo has the water to deliver today but may not be in the same position this time next year.

Director Zuniga inquired about storing or spreading the excess water. Mr. Lee explained that SAWCo is storing and spreading water as much water as they can. There are limitations on the amount of water SAWCo can put in the basins as multiple agencies are using the same pathways and there is also a limit to the amount of water they are allowed to store in each basin.

Director Velto questions the rates for next year. Mr. Lee responded that the idea is that the rate structure would reset in January back to its original format.

There were concerns that reducing Tier 2 would negatively impact the budget. Mr. Lee advised that if the City of Upland uses all their entitlement this year it will more than make up for the negative impact on the budget.

Braden Yu, Public Works Director for the City of Upland, stated they will continue purchasing water from SAWCo and spoke of plans to expand the treatment plant to allow for even greater water intake.

Director Parker moved and Director Goss seconded staff's recommendation to reduce the Tier 2 water rate to the amount of Tier 2 for the remainder of 2023 with the caveat that SAWCo continues to store as much water as possible in the affiliated basins. Motion carried unanimously.

7. Closed Session:

- A. Initiation of Litigation Pursuant to Paragraph (4) Subdivision (D) of Government Code Section 54956.9: One Case.

Mr. Hoffman stated there is no reportable action out of closed session.

8. Closed Session: None.

9. Director's Comments and Future Agenda Items: None.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:42 p.m.

Assistant Secretary
Brian Lee

MINUTES OF THE SAN ANTONIO WATER COMPANY
 PLANNING, RESOURCES, and OPERATIONS COMMITTEE
 April 25, 2023

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 2:39 p.m. on the above date. Committee members present were Will Elliott, Kati Parker, and Rudy Zuniga. Also in attendance were SAWCo's legal counsel Derek Hoffman of Fennemore (virtually), General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Director Elliott presided.

1. Recognitions and Presentations – None.
2. Additions-Deletions to the Agenda – None.
3. Public Comments – None.
4. Approval of Committee Meeting Minutes:
 - A. **Regular Committee Minutes of February 28, 2023** – Director Zuniga moved, and Director Parker seconded to approve the meeting minutes of February 28, 2023 as presented. Motion carried unanimously.
5. Planning and Operational Issues:
6. Planning and Operational Updates -
 - A. **Project Status Report/Project List** – Mr. Lee advised the project status remains nearly unchanged since SAWCo's April Board meeting held the previous Tuesday. The only update is that the Glendale Road Pipeline Project is wrapping up and the contractor is demobilizing.
 - B. **Well 31 Pipeline Replacement Proposal Review** – Mr. Lee reported proposals were received from three engineering firms. He felt all three presented quality proposals that were consistent with timeframes for the project. TKE Engineering provided the lowest cost bid of the three firms at \$86,500.

Mr. Lee asked the PROC to recommend the Board authorize the general manager to execute a design contract with TKE Engineering for Well 31 pipeline replacement with a not-to-exceed amount of \$86,500.

Director Zuniga moved and Director Parker seconded to recommend the Board authorize the general manager to execute a design contract with TKE Engineering for Well 31 pipeline replacement with a not-to-exceed amount of \$86,500. Motion carried unanimously.

Director Zuniga inquired about the lowest bid amount exceeding the budget for the project. Mr. Lee advised that once the hired engineer provides probable construction costs, he can then look at adjusting the amount of the contract. At the time staff budgeted for the project, pipelines were estimated at \$300 per linear foot (lf). Currently, they are being quoted at \$600/lf.

C. Paloma Curve Modernization Proposal Review – Mr. Lee advised that proposals were received from three engineering firms. He felt the proposals from both Water Systems Consulting (WSC) and Civiltec Engineering were on par, but that Ardurra’s proposal went beyond the scope of the project. Due to the cost differences between WSC and Civiltec Engineering, Mr. Lee asked the AFC to recommend the Board authorize the general manager to execute a design contract with Civiltec Engineering for the Paloma Curve Modernization with a not-to-exceed amount of \$123,470.

Director Parker moved and Director Zuniga seconded to recommend the Board authorize the general manager to execute a design contract with Civiltec Engineering for the Paloma Curve Modernization with a not-to-exceed amount of \$123,470. Motion carried unanimously.

7. Basin Issues and Updates

- ***San Antonio Canyon Watershed*** – The Watershed Clean-up Day is scheduled for August 5th. Chino Basin Water Conservation District will be joining in coordinating and participating in the clean-up.
- ***Chino Basin*** – Mr. Lee advised a budget workshop is forthcoming.
- ***Six Basins*** – A meeting is scheduled for the following day.
- ***Cucamonga Basin*** – A meeting is scheduled for the following week. Staff is going through invoices from previous projects SAWCo has completed for the basin as it was agreed costs would be split among all the parties in the basin.

8. Closed session: None.

9. Committee’s Comments and Future Agenda Items: Director Elliott inquired what is being done with the two SAWCo properties in Upland that facilities were recently removed. Mr. Lee advised one property was deeded over to the City of Upland, as it was located in a community park. The other is being maintained by staff as negotiations with the realtor for one of the properties that back up to the now vacant lot failed to bring about an agreement. Director Elliott encouraged staff to reach out to the homeowners that back up to the vacant lot to get the property issue resolved.

Director Elliott inquired about the stone building at the Paloma Curve Hydraulic Break. Mr. Hoffman suggested the topic be placed on the agenda for the next PROC meeting.

Adjournment: –The meeting adjourned at 2:57 p.m.

Assistant Secretary
Brian Lee



San Antonio Water Company, CA

Income Statement

Group Summary

For Fiscal: 2023 Period Ending: 05/31/2023

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Category: 4 - Income					
SubCategory: 40 - Shareholder Revenue					
1185 - Water Sales - Domestic	730,000.00	730,000.00	56.33	98,280.04	631,719.96
1230 - Water Fixed Charges - Domestic	261,000.00	261,000.00	52.94	88,093.18	172,906.82
1245 - Water Sales - Municipal	3,100,000.00	3,100,000.00	286,902.52	1,164,146.06	1,935,853.94
1268 - Water Fixed Charges - Municipal	554,000.00	554,000.00	46,156.00	230,780.00	323,220.00
1274 - Water Sales - Misc.	260,000.00	260,000.00	52,079.99	147,686.70	112,313.30
1288 - Water Fixed Charges - Misc.	46,000.00	46,000.00	3,822.00	18,970.00	27,030.00
1295 - Water Fixed Charges - Inactive Shareholders	52,000.00	52,000.00	0.00	17,106.65	34,893.35
1309 - Shareholder Fees	8,800.00	8,800.00	2,897.60	5,012.60	3,787.40
1405 - Capital Facility Connection Fee	0.00	0.00	2,341.00	2,341.00	-2,341.00
SubCategory: 40 - Shareholder Revenue Total:	5,011,800.00	5,011,800.00	394,308.38	1,772,416.23	3,239,383.77
SubCategory: 42 - Non-Shareholder Revenue					
1725 - Misc. Income	2,000.00	2,000.00	0.00	314.35	1,685.65
1750 - Service/Litigation Agreements	0.00	0.00	55.36	1,565.80	-1,565.80
1753 - Ground Lease Income	70,000.00	70,000.00	5,915.64	31,578.60	38,421.40
1755 - Interest Earned	20,000.00	20,000.00	0.00	53,991.53	-33,991.53
1785 - Gain on Sale of Asset	344,000.00	344,000.00	14,450.00	14,450.00	329,550.00
1815 - Quitclaim of Easements	0.00	0.00	-15.00	4,440.00	-4,440.00
SubCategory: 42 - Non-Shareholder Revenue Total:	436,000.00	436,000.00	20,406.00	106,340.28	329,659.72
Category: 4 - Income Total:	5,447,800.00	5,447,800.00	414,714.38	1,878,756.51	3,569,043.49
Category: 5 - O & M Expense					
SubCategory: 50 - Operating Facilities					
2175 - Field Labor	280,000.00	280,000.00	32,150.70	167,958.84	112,041.16
2235 - Repairs to Facilities and Equipment	420,000.00	420,000.00	31,342.72	157,434.27	262,565.73
2265 - Power-Gas & Electric (utilities)	900,000.00	900,000.00	39,979.90	257,764.38	642,235.62
SubCategory: 50 - Operating Facilities Total:	1,600,000.00	1,600,000.00	103,473.32	583,157.49	1,016,842.51
SubCategory: 51 - Operating Activities					
2475 - Customer Service	79,000.00	79,000.00	1,489.39	5,440.35	73,559.65
2498 - Conservation	26,000.00	26,000.00	894.00	4,917.00	21,083.00
SubCategory: 51 - Operating Activities Total:	105,000.00	105,000.00	2,383.39	10,357.35	94,642.65
SubCategory: 52 - Other Operating Expense					
2210 - O & M - All Other	3,500.00	3,500.00	0.00	1,863.06	1,636.94
2295 - Supplies (Inventory & Tools Expense)	10,000.00	10,000.00	653.51	6,182.45	3,817.55
2565 - Depreciation/Amortization	1,100,000.00	1,100,000.00	91,654.44	457,167.30	642,832.70
2715 - Property Taxes	240,000.00	240,000.00	0.00	130,350.71	109,649.29
2805 - Water Resource Mgmt.	143,000.00	143,000.00	0.00	22,299.67	120,700.33
SubCategory: 52 - Other Operating Expense Total:	1,496,500.00	1,496,500.00	92,307.95	617,863.19	878,636.81
Category: 5 - O & M Expense Total:	3,201,500.00	3,201,500.00	198,164.66	1,211,378.03	1,990,121.97
Category: 6 - G & A Expense					
SubCategory: 60 - Personnel					
2115 - Administrative Labor	300,000.00	300,000.00	44,651.67	223,474.74	76,525.26
2325 - Payroll Taxes	78,000.00	78,000.00	6,606.11	38,759.11	39,240.89
2355 - Worker's Compensation Insurance	15,000.00	15,000.00	2,705.00	3,328.55	11,671.45
2385 - Benefit Pay (Vac., sick, etc.)	190,000.00	190,000.00	7,077.99	67,149.24	122,850.76
2415 - Benefit Insurance (Pension,Life,Medical,Vision etc)	295,000.00	295,000.00	20,371.41	102,129.51	192,870.49
2430 - Benefit Administrative Services	2,000.00	2,000.00	0.00	100.00	1,900.00
SubCategory: 60 - Personnel Total:	880,000.00	880,000.00	81,412.18	434,941.15	445,058.85
SubCategory: 61 - Other					
2445 - Office/IT Support	60,000.00	60,000.00	512.91	37,537.29	22,462.71
2505 - Directors Fees & Expense	32,000.00	32,000.00	1,914.41	13,571.44	18,428.56

Income Statement

For Fiscal: 2023 Period Ending: 05/31/2023

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
2535 - Liability Insurance	41,000.00	41,000.00	0.00	58,989.00	-17,989.00
2595 - Communication	43,000.00	43,000.00	1,476.02	21,909.69	21,090.31
2625 - Dues & Publications	3,500.00	3,500.00	0.00	8,089.00	-4,589.00
2655 - Outside Services	20,000.00	20,000.00	281.29	16,328.60	3,671.40
2745 - Income Tax Expense	12,500.00	12,500.00	0.00	9,700.00	2,800.00
2775 - Accounting	65,000.00	65,000.00	0.00	19,447.69	45,552.31
2776 - Legal	150,000.00	150,000.00	4,056.00	118,725.03	31,274.97
2790 - Human Resources Expense	60,000.00	60,000.00	0.00	296.95	59,703.05
2865 - All other	30,000.00	30,000.00	177.96	2,425.08	27,574.92
SubCategory: 61 - Other Total:	517,000.00	517,000.00	8,418.59	307,019.77	209,980.23
Category: 6 - G & A Expense Total:	1,397,000.00	1,397,000.00	89,830.77	741,960.92	655,039.08
Total Surplus (Deficit):	849,300.00	849,300.00	126,718.95	-74,582.44	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
10 - 10	849,300.00	849,300.00	126,718.95	-74,582.44	923,882.44
Total Surplus (Deficit):	849,300.00	849,300.00	126,718.95	-74,582.44	



San Antonio Water Company, CA

Balance Sheet

Account Summary

As Of 05/31/2023

Account	Name	Balance
Fund: 10 - 10		
Assets		
BalSubCategory: 10 - Cash		
10-00-00-10100-00000	Petty Cash	250.00
10-00-00-10201-00000	Checking Account-8431	1,031,744.77
10-00-00-10415-00000	D&O Checking Account	1,460,309.44
10-00-00-10438-00000	Depre/Obsolescene Res (LAIF)	5,210,475.58
	Total BalSubCategory 10 - Cash:	7,702,779.79
BalSubCategory: 11 - Accounts Receivable		
10-00-00-11100-00000	Accounts Receivable-Domestic	13,705.63
10-00-00-11200-00000	Accounts Receivable-Municipal	614,703.53
10-00-00-11250-00000	Accounts Receivable-Misc.	55,869.99
10-00-00-11260-00000	Accounts Receivable - Dormant	1,714.22
10-00-00-11275-00000	Contra Accounts Receivable - Unapplied C	-27,892.45
10-00-00-11300-00000	Accounts Receivable-Other	216,963.09
10-00-00-11301-00000	Note Receivable	344,000.00
	Total BalSubCategory 11 - Accounts Receivable:	1,219,064.01
BalSubCategory: 12 - Inventory		
10-00-00-12100-00000	Inventories-Materials & Supply	162,539.55
	Total BalSubCategory 12 - Inventory:	162,539.55
BalSubCategory: 13 - Prepaid		
10-00-00-13100-00000	Prepaid Insurance	8,868.75
10-00-00-13105-00000	PREPAID POSTAGE	369.00
	Total BalSubCategory 13 - Prepaid:	9,237.75
BalSubCategory: 14 - Investments		
10-00-00-14150-00000	P.V.P.A. Investment	1.00
10-00-00-14151-00000	457B Plan Investment	62,928.53
	Total BalSubCategory 14 - Investments:	62,929.53
BalSubCategory: 15 - Property, Plant, & Equipment		
10-00-00-15100-00000	Land & Water Rights	920,161.26
10-00-00-15110-1507J	Work in Progress "Proj J"	126,245.00
10-00-00-15110-1602U	Work in Progress	1,239,077.46
10-00-00-15110-2109	Work In Progress	27,507.77
10-00-00-15110-2201	Work in Progress	15,070.38
10-00-00-15110-2202	Work in Progress CO#2202	439,932.00
10-00-00-15110-2203	Work in Progress-Proj 2203	256.30
10-00-00-15110-2301	WIP-Well#16 Conversion	87.02
10-00-00-15150-00000	Buildings & Site Improvements	1,827,589.96
10-00-00-15200-00000	Wells-Shafts, Bldgs, & Equip	4,910,918.85
10-00-00-15250-00000	Boosters-Bldgs & Equip	2,629,884.62
10-00-00-15300-00000	Reservoirs	3,081,787.33
10-00-00-15350-00000	Tunnels, Forebay, & Ponds	1,587,111.19
10-00-00-15400-00000	Spreading Works-Cucamonga Wash	54,859.53
10-00-00-15410-00000	Spreading Works-SanAntonio Wsh	50,235.18
10-00-00-15450-00000	Pipelines	19,228,760.46
10-00-00-15500-00000	Autos & Equipment	616,340.80
10-00-00-15550-00000	Tools	110,727.03
10-00-00-15600-00000	Telemetry System	639,245.52
10-00-00-15650-00000	Office Equipment	507,141.72
10-00-00-15990-00000	Accumulated Depreciation	-15,720,033.72
	Total BalSubCategory 15 - Property, Plant, & Equipment:	22,292,905.66
BalSubCategory: 16 - Other Assets		
10-00-00-16100-00000	Documents & Studies	1,009,546.33

Balance Sheet

As Of 05/31/2023

Account	Name	Balance
10-00-00-16100-1905	WIP- Master Plan and Asset Management F	221,703.38
10-00-00-16105-2204	Work in Progress (Docs)	4,315.00
10-00-00-16990-00000	Accumulated Amortization	-783,267.33
	Total BalSubCategory 16 - Other Assets:	452,297.38
	Total Assets:	31,901,753.67
		<u>31,901,753.67</u>

Liability

BalSubCategory: 13 - Prepaid		
10-00-00-20650-00000	Deferred Revenue Deposit	1,200.00
	Total BalSubCategory 13 - Prepaid:	1,200.00

BalSubCategory: 20 - Short-term less than 1 year		
10-00-00-20100-00000	Trade Accounts Payable	92,664.50
10-00-00-20115-00000	D&O Trade Accounts Payable	49,570.77
10-00-00-20261-00000	Section 125 - Dental	0.30
10-00-00-20262-00000	Section 125 - Vision	0.42
10-00-00-20263-00000	Section 125 - Medical	0.15
10-00-00-20600-00000	Water Hydrant Meter Deposit	2,550.00
10-00-GN-20820-00000	Accrued Vacation Payable	20,404.60
10-00-OP-20820-00000	Accrued Vacation Payable	24,818.57
	Total BalSubCategory 20 - Short-term less than 1 year:	190,009.31

BalSubCategory: 21 - Long-term more than 1 year		
10-00-00-20152-00000	457B Deferred Comp Liability	62,928.53
10-00-00-21500-00000	Unclaimed Credits	464,368.37
10-00-00-22100-00000	Deferred Gain	343,059.43
	Total BalSubCategory 21 - Long-term more than 1 year:	870,356.33
	Total Liability:	1,061,565.64

Equity

BalSubCategory: 30 - Stockholder equity		
10-00-00-30200-00000	Contributed Capital - Ext. Fee	447,258.02
10-00-00-30210-00000	Contr. Property, Plant & Equip	2,432,256.77
10-00-00-30300-00000	Capital Account	1,500,000.00
10-00-00-30310-00000	Unissued Capital Stock	-861,100.00
10-00-00-30400-00000	Retained Earngs-Brd Designated	7,231,692.92
10-00-00-30410-00000	Retained Earnings-Unrestricted	20,164,662.76
	Total BalSubCategory 30 - Stockholder equity:	30,914,770.47

	Total Beginning Equity:	30,914,770.47
Total Revenue		1,878,756.51
Total Expense		1,953,338.95
Revenues Over/Under Expenses		-74,582.44
	Total Equity and Current Surplus (Deficit):	30,840,188.03

Total Liabilities, Equity and Current Surplus (Deficit): 31,901,753.67

Monthly Investment Activity Summary - Compiled from Banking Statements for Correlation with Monthly Financials								
	Institution	Type of Investment	Date of Maturity	Rate of Interest	Account Balance as of 5/31/2023	Reserves		
						Operating <small>target: \$875k-\$1.75M</small>	Depreciation & Obsolescence <small>target: \$1.2M-\$4.6M</small>	
Undesignated	Citizens Business Bank (CBB)	Checking	N/A	None	\$ 1,031,744.77	\$ 1,031,744.77	Capital Investment & Depreciation	Modernization
Designated	Citizens Business Bank (CBB)	Checking	N/A	None	\$ 1,460,309.44		\$ 1,460,309.44	
	Local Agency Investment Fund	LAIF	N/A	2.993%	\$ 5,210,475.58		\$ 3,777,780.58	\$ 1,432,695.00
TOTAL					\$ 7,702,529.79	\$ 1,031,744.77	\$ 5,238,090.02	\$ 1,432,695.00

2023 Production

CHINO BASIN	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Yearly Production Rights = 1232	39.43%	39.43%	39.43%	39.43%	39.43%	39.43%	-	-	-	-	-	-	-
Well #12 - inactive	-	-	-	-	-	-	-	-	-	-	-	-	-
Well #15 - Domestic	0.08	-	-	-	-	-	-	-	-	-	-	-	0.08
Well #16 - Domestic	0.11	-	-	-	-	-	-	-	-	-	-	-	0.11
Well#18 - inactive	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	0.19	-	-	-	-	-	-	-	-	-	-	-	0.19

CUCAMONGA BASIN	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Yearly Production Rights = 5601 (1101 10-yr Average Spread)	9.31%	14.21%	18.70%	23.37%	30.26%	37.99%	43.50%	49.28%	55.13%	61.01%	66.91%	72.77%	-
Well #2	105.05	96.42	104.20	89.05	129.12	106.45	-	-	-	-	-	-	630.29
Well #3	0.31	-	-	0.49	-	-	-	-	-	-	-	-	0.81
Well#19 - inactive	-	-	-	-	-	-	-	-	-	-	-	-	-
Well #22	2.96	10.70	0.76	29.98	31.39	41.15	-	-	-	-	-	-	116.92
Well #24	206.11	-	38.93	1.18	0.01	58.25	-	-	-	-	-	-	304.50
Well #31	-	-	-	0.15	-	0.02	-	-	-	-	-	-	0.17
Well #32 - Domestic	-	-	-	-	-	-	-	-	-	-	-	-	-
Upl. # 15 (SAWCo's Rts)	206.92	167.58	107.58	140.67	225.49	227.36	-	-	-	-	-	-	1,075.60
Subtotal	521.34	274.70	251.47	261.53	386.01	433.23	-	-	-	-	-	-	2,128.28
Upl. # 15 (WECWCo's Rts) Memo Only	-	-	-	-	-	-	-	-	-	-	-	-	-

SIX BASINS	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Yearly Production Rights = 932	8.24%	15.82%	24.37%	35.08%	46.19%	58.31%	68.58%	78.85%	89.16%	99.49%	109.83%	120.16%	-
Well #25-A	-	-	0.00	21.65	17.03	-	-	-	-	-	-	-	38.68
Well #26	38.41	33.78	38.49	38.83	45.61	57.17	-	-	-	-	-	-	252.29
Well 27-A	38.42	36.85	41.18	39.37	40.96	55.79	-	-	-	-	-	-	252.56
Subtotal	76.82	70.63	79.67	99.86	103.60	112.96	-	-	-	-	-	-	543.54

TOTAL PUMPED	598.36	345.32	331.14	361.38	489.61	546.20	-	-	-	-	-	-	2,672.01
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GRAVITY FLOW	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
V screen	510.96	893.27	627.64	1,205.35	1,120.76	1,131.34	-	-	-	-	-	-	5,489.33
backwash from city treatment plant	0.59	0.80	0.70	1.04	1.03	1.03	-	-	-	-	-	-	5.18
San Antonio Tunnel (forebay)	195.50	226.19	265.77	255.93	247.97	267.03	-	-	-	-	-	-	1,458.40
Frankish & Stamm Tunnel 8" PRODUCTION	82.79	80.18	112.79	121.83	117.62	87.65	-	-	-	-	-	-	602.87
San Ant. Tunnel Connect to City	-	-	-	-	-	-	-	-	-	-	-	-	-
Discharge to waste	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL GRAVITY	789.85	1,200.44	1,006.91	1,584.16	1,487.38	1,487.06	-	-	-	-	-	-	7,555.78

Monthly	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
San Antonio Tunnel	195.50	226.19	265.77	255.93	247.97	267.03	-	-	-	-	-	-	1,458.40
V Screen, Frankish & Stamm Tunnel and TP Backwash	594.34	974.25	741.13	1,328.23	1,239.41	1,220.03	-	-	-	-	-	-	6,097.38
Gravity Production	789.85	1,200.44	1,006.91	1,584.16	1,487.38	1,487.06	-	-	-	-	-	-	7,555.78

Cumulative	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
San Antonio Tunnel	195.50	421.69	687.46	943.40	1,191.37	1,458.40	-	-	-	-	-	-	1,458.40
V Screen, Frankish & Stamm Tunnel and TP Backwash	594.34	1,568.59	2,309.72	3,637.95	4,877.36	6,097.38	-	-	-	-	-	-	6,097.38
Gravity Production	789.85	1,990.28	2,997.19	4,581.35	6,068.73	7,555.78	-	-	-	-	-	-	7,555.78

Purchased Water - Upl. City to Dom. Sys.	-	-	-	-	-	-	-	-	-	-	-	-	-
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Total Production	1,388.20	1,545.76	1,338.05	1,945.54	1,976.99	2,033.25	-	-	-	-	-	-	10,227.79
Total Cumulative Production	1,388.20	2,933.96	4,272.01	6,217.55	8,194.54	10,227.79	-	-	-	-	-	-	10,227.79

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Domestic Production	195.70	226.19	265.77	255.93	247.97	267.03	-	-	-	-	-	-	1,458.59
Irrigation Production	1,192.51	1,319.57	1,072.28	1,667.96	1,711.99	1,766.22	-	-	-	-	-	-	8,730.52

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
RainFall (Inches)	6.26	5.99	10.86	1.44	1.14	0.79	-	-	-	-	-	-	-
Cumulative (Inches)	6.26	12.25	23.11	24.55	25.69	26.48	-	-	-	-	-	-	-

2023 Consumption

DOMESTIC	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Dom. Sys. - Base	36.04	32.27	17.09	63.42	75.88	62.37	-	-	-	-	-	-	287.07
Dom. Sys. - Supplemental	3.78	12.42	1.20	14.07	4.79	25.33	-	-	-	-	-	-	61.59
Dom Sys - Tier 3	1.21	9.97	0.37	6.81	0.40	10.58	-	-	-	-	-	-	29.34
Dom. Sys. - Del. to Upland(24th/Campus)	44.54	41.72	9.30	21.00	29.84	29.36	-	-	-	-	-	-	175.77
Dom. Sys. -Del. To Upland (Well 16/15)	0.00	-	-	-	-	-	-	-	-	-	-	-	0.00
Dom. Sys. - Del. to Upland(24th/Mtn)-installed 4/2/19	-	-	-	-	-	-	-	-	-	-	-	-	-
Tunnel meter to the Upland	-	-	-	-	-	-	-	-	-	-	-	-	-
Discharge to waste	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	85.57	96.38	27.96	105.30	110.91	127.64	-	-	-	-	-	-	553.77

Truck Loads - note only crosswall projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Well 32 Hydrant Mtr. - note only(started 8/6/18)Crosswalls	0.19	0.49	0.09	0.65	1.02	0.45	-	-	-	-	-	-	2.88

Irr. Note only Del. to MVWD(wheeled through Upland)	87.49	66.54	0.85	-	-	-	-	-	-	-	-	-	154.88
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IRRIGATION	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Irrig. Sys.-Upland(Pump & Rec'd) (City W#15)	206.92	167.58	107.58	140.67	225.49	227.36	-	-	-	-	-	-	1,075.60
Irrig. Sys. - Upl. City - Tier 1	444.32	462.84	396.92	601.58	620.16	619.64	-	-	-	-	-	-	3,145.46
Irrig. Sys. - Upl. City - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Monte Vista - Tier 1	40.60	37.80	43.30	45.90	49.30	52.60	-	-	-	-	-	-	269.50
Irrig. Sys. - Monte Vista - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Ont. City - Tier 1	36.30	33.50	38.40	40.70	43.80	46.70	-	-	-	-	-	-	239.40
Irrig. Sys. - Ont. City - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Cucamonga Valley - Tier 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Cucamonga Valley - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Holiday Rock Co - Tier 1	0.48	14.52	16.67	18.58	22.86	28.10	-	-	-	-	-	-	101.21
Irrig. Sys. - Holiday Rock Co - Tier 2	-	14.52	11.31	18.59	22.86	8.47	-	-	-	-	-	-	75.75
Irrig. Sys. - Holiday Rock Co - Tier 3	-	0.20	-	19.81	10.48	-	-	-	-	-	-	-	30.48
Irrig. Sys. - Red Hill Golf Course - Tier 1	1.99	10.31	0.73	28.57	30.23	39.56	-	-	-	-	-	-	111.38
Irrig. Sys. - Red Hill Golf Course - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hill Golf Course - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hills HOA - Tier 1	0.05	0.30	0.04	0.63	1.32	1.55	-	-	-	-	-	-	3.90
Irrig. Sys. - Red Hills HOA - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hills HOA - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Minor Irrigators - Tier 1	0.75	0.38	0.22	0.83	2.97	2.28	-	-	-	-	-	-	7.41
Irrig. Sys. - Minor Irrigators - Tier 2	-	-	-	0.09	0.13	-	-	-	-	-	-	-	0.22
Irrig. Sys. - Minor irrigators - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	731.40	741.94	615.17	915.95	1,029.59	1,026.26	-	-	-	-	-	-	5,060.31

COMPANY TOTALS	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
San Antonio Heights	41.03	54.66	18.66	84.30	81.07	98.28	-	-	-	-	-	-	378.00
City of Upland	695.78	672.14	513.80	763.26	875.48	876.37	-	-	-	-	-	-	4,396.82
Monte Vista Water District	40.60	37.80	43.30	45.90	49.30	52.60	-	-	-	-	-	-	269.50
City of Ontario	36.30	33.50	38.40	40.70	43.80	46.70	-	-	-	-	-	-	239.40
Cucamonga Valley Water District	-	-	-	-	-	-	-	-	-	-	-	-	-
Holiday Rock Company	0.48	29.24	27.98	56.98	56.19	36.57	-	-	-	-	-	-	207.45
Red Hills Golf Course	1.99	10.31	0.73	28.57	30.23	39.56	-	-	-	-	-	-	111.38
Red Hill HOA	0.05	0.30	0.04	0.63	1.32	1.55	-	-	-	-	-	-	3.90
Minor Irrigators	0.75	0.38	0.22	0.92	3.10	2.28	-	-	-	-	-	-	7.63
TOTAL	816.98	838.33	643.13	1,021.26	1,140.50	1,153.91	-	-	-	-	-	-	5,614.08

IRRIGATORS	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Irrigator Emberton	0.23	0.22	0.22	0.28	0.37	0.46	-	-	-	-	-	-	1.77
Irrigator McMurray	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrigator Mistretta	-	-	-	0.48	0.60	0.44	-	-	-	-	-	-	1.52
Irrigator Nisbit	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrigator Scheu	-	-	-	-	1.59	0.79	-	-	-	-	-	-	2.38
Irrigator Pfister	0.51	0.15	-	0.16	0.54	0.59	-	-	-	-	-	-	1.96

2023 Spread and Storage

Cucamonga Basin

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
23rd St. (Meter) - Basin 6 - A	79.32	156.63	61.51	114.06	83.38	75.77	-	-	-	-	-	-	570.67
15th Street Basin	8.79	32.39	-	-	-	-	-	-	-	-	-	-	41.18
Basin 3 meter (23rd street Clock)	170.96	203.41	175.86	11.15	203.56	238.89	-	-	-	-	-	-	1,003.83
Frankish & Stamm Tunnel to Basin 3	85.21	81.53	114.19	103.41	117.62	87.65	-	-	-	-	-	-	589.60
Vscreen via Frankish & Stamm Meter to Basin 3	106.81	159.03	110.95	180.45	137.01	186.88	-	-	-	-	-	-	881.14
PRV Station (res 1)(basin 6)	3.12	2.82	-	7.12	-	-	-	-	-	-	-	-	13.06
Monthly Spread	454.22	635.81	462.51	416.19	541.56	589.19	-	-	-	-	-	-	3,099.49
Cumulative Spread	454.22	1,090.03	1,552.54	1,968.73	2,510.29	3,099.49	-	-	-	-	-	-	-

Six Basins

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Monthly Spread	125.79	180.38	148.36	217.34	0.01	1.51	-	-	-	-	-	-	673.38
Cumulative Spread	125.79	306.16	454.53	671.86	671.87	673.38	-	-	-	-	-	-	-

Note: City of Upland Well Exercising may contribute to spread

Note: Maximum end of year storage limit: 2,000 AF

Previous Storage	2,247.00	2,373.63	2,554.01	2,702.37	2,919.71	-	-	-	-	-	-	-	-
Spread	125.79	180.38	148.36	217.34	0.01	1.51	-	-	-	-	-	-	-
Unused Monthly OSY	0.85	-	-	-	-	-	-	-	-	-	-	-	-
Current Storage Estimate	2,374	2,554	2,702	2,920	2,920	2	-	-	-	-	-	-	-

932 yearly OSY = 77.67 monthly OSY

Chino Basin

Monthly Spread	-	96.79	71.55	124.62	332.45	326.49	-	-	-	-	-	-	951.90
Cumulative Spread	-	96.79	168.34	292.96	625.41	951.90	-	-	-	-	-	-	-

Local Supplemental Account (Spreading)*	3,923.25	3,923.25	3,923.25	3,923.25	3,923.25	3,923.25	-	-	-	-	-	-	-
Carry Over Account	1,232.00	1,232.00	1,232.00	1,232.00	1,232.00	1,232.00	-	-	-	-	-	-	-
Excess Carry Over Account*	2,104.00	2,206.48	2,309.14	2,411.81	2,514.48	2,617.14	-	-	-	-	-	-	-
Preemptive Replenishment Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Storage	7,259.25	7,361.73	7,464.39	7,567.06	7,669.73	7,772.39	-	-	-	-	-	-	-
Spread	-	96.79	71.55	124.62	332.45	326.49	-	-	-	-	-	-	-
Unused Monthly OSY	102.48	102.67	102.67	102.67	102.67	102.67	-	-	-	-	-	-	-
Current Storage Estimate*	7,362	7,561	7,639	7,794	8,105	8,202	-	-	-	-	-	-	-

1,232 yearly OSY = 102.67 monthly OSY

* Does not include yearly storage losses calc of 0.07%

Company Wide

Monthly Spread	580.00	912.98	682.42	758.15	874.02	917.19	-	-	-	-	-	-	4,724.76
Cumulative Spread	580.00	1,492.99	2,175.40	2,933.55	3,807.57	4,724.76	-	-	-	-	-	-	-
Total Current Storage Estimate	9,735	10,115	10,341	10,714	11,025	8,203	-	-	-	-	-	-	-

Meter to spread ponds (NOTE ONLY)	-	-	-	-	-	-	-	-	-	-	-	-	-
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2023 GW Production Rights

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

Cucamonga Basin Production

Yearly Production Rights = 5601 (4,500AF + 1101AF 10-yr Average Spread)

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Production	521.34	274.70	251.47	261.53	386.01	433.23	-	-	-	-	-	-	
Cumulative Production	521.34	796.04	1,047.52	1,309.04	1,695.05	2,128.28	-	-	-	-	-	-	2,128.28
Cumulative Production Rights	466.79	933.58	1,400.37	1,867.17	2,333.96	2,800.75	-	-	-	-	-	-	5,601
% of Production Rights*	9.31%	14.21%	18.70%	23.37%	30.26%	37.99%	43.50%	49.28%	55.13%	61.01%	66.91%	72.77%	38.0%

Six Basins Production

Yearly Production Rights = 932AF

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Production	76.82	70.63	79.67	99.86	103.60	112.96	-	-	-	-	-	-	
Cumulative Production	76.82	147.45	227.12	326.97	430.57	543.54	-	-	-	-	-	-	543.54
Cumulative Production Rights	77.68	155.35	233.03	310.70	388.38	466.05	-	-	-	-	-	-	932
% of Production Rights*	8.24%	15.82%	24.37%	35.08%	46.19%	58.31%	68.58%	78.85%	89.16%	99.49%	109.83%	120.16%	58.3%

Chino Basin Production

Note: Chino Basin production rights are calculated from July through June.

Yearly Production Rights = 1232AF

	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Production		0.19	-	-	-	-	-	-	-	-	-	-	-	0.19
Cumulative Production for 2022		0.19	0.19	0.19	0.19	0.19	0.19	-	-	-	-	-	-	
Water Year 22-23														
Cumulative Production	485.54	485.73	485.73	485.73	485.73	485.73	485.73							485.73
Cumulative Rights	616.00	718.67	821.33	924.00	1,026.67	1,129.33	1,232.00							1,232.00
% of Production Rights 22-23*	39.43%	39.43%	39.43%	39.43%	39.43%	39.43%	39.43%							
Water Year 23-24														
Cumulative Production								-	-	-	-	-	-	-
Cumulative Rights								102.67	205.33	308.00	410.67	513.33	616.00	1,232.00
% of Production Rights 22-23*								-	-	-	-	-	-	-

* - Out months are Exponential Smoothing (ETS) forecasts based on basin production to date

Chino Basin	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	WY19-20
Water Year 19-20													
Cumulative Production	5.24	110.22	227.03	351.18	470.30	470.30	470.53	470.80	470.80	471.09	486.34	614.43	
Cumulative Rights	102.67	205.33	308.00	410.67	513.33	616.00	718.67	821.33	924.00	1,026.67	1,129.33	1,232.00	1,232.00
% of Production Rights 19-20	5.10%	53.68%	73.71%	85.51%	91.62%	76.35%	65.47%	57.32%	50.95%	45.89%	43.06%	49.87%	

2023 Production v Consumption

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

Consumption versus Entitlement, Company Wide **Active Shares**

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Consumption	816.98	838.33	643.13	1,021.26	1,140.50	1,153.91	-	-	-	-	-	-	-
Cumulative Consumption	816.98	1,655.30	2,298.43	3,319.68	4,460.18	5,614.08	-	-	-	-	-	-	5,614.08
<i>Cumulative Entitlement (straight line)</i>	<i>1,048.23</i>	<i>2,096.47</i>	<i>3,144.70</i>	<i>4,192.94</i>	<i>5,241.17</i>	<i>6,289.40</i>	-	-	-	-	-	-	12,579
% of Entitlement*	6.49%	13.16%	18.27%	26.39%	35.46%	44.63%	52.22%	59.98%	67.81%	75.68%	83.56%	91.40%	44.6%

Consumption versus Entitlement, Company Wide **Total Shares**

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Consumption	816.98	838.33	643.13	1,021.26	1,140.50	1,153.91	-	-	-	-	-	-	-
Cumulative Consumption	816.98	1,655.30	2,298.43	3,319.68	4,460.18	5,614.08	-	-	-	-	-	-	5,614.08
<i>Cumulative Entitlement (straight line)</i>	<i>1,083.33</i>	<i>2,166.67</i>	<i>3,250.00</i>	<i>4,333.33</i>	<i>5,416.67</i>	<i>6,500.00</i>	-	-	-	-	-	-	13,000
% of Entitlement*	6.28%	12.73%	17.68%	25.54%	34.31%	43.19%	50.52%	58.03%	65.62%	73.23%	80.85%	88.44%	43.2%

Production versus Consumption, Company Wide

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Production	1,388.20	1,545.76	1,338.05	1,945.54	1,976.99	2,033.25	-	-	-	-	-	-	10,227.79
Consumption	816.98	838.33	643.13	1,021.26	1,140.50	1,153.91	-	-	-	-	-	-	5,614.08
Spread	580.00	912.98	682.42	758.15	874.02	917.19	-	-	-	-	-	-	4,724.76
Total Consumption	1,396.98	1,751.31	1,325.54	1,779.41	2,014.52	2,071.09	-	-	-	-	-	-	10,338.85
Difference	(8.78)	(205.55)	12.51	166.13	(37.53)	(37.84)	-	-	-	-	-	-	(111.05)
% of Production	-0.6%	-13.3%	0.9%	8.5%	-1.9%	-1.9%	0.00%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.1%

Production versus Consumption, Domestic System

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Production	195.70	226.19	265.77	255.93	247.97	267.03	-	-	-	-	-	-	1,458.59
Consumption	85.57	96.38	27.96	105.30	110.91	127.64	-	-	-	-	-	-	553.77
Monthly Difference	110.12	129.80	237.81	150.63	137.07	139.39	-	-	-	-	-	-	904.82
% difference	128.69%	134.67%	850.55%	143.04%	123.59%	109.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	163.4%

Production versus Consumption, Irrigation System

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Production	1,192.51	1,319.57	1,072.28	1,667.96	1,711.99	1,766.22	-	-	-	-	-	-	8,730.52
Addition from Domestic	110.12	129.80	237.81	150.63	137.07	139.39	-	-	-	-	-	-	904.82
Total Production	1,302.63	1,449.38	1,310.09	1,818.59	1,849.05	1,905.61	-	-	-	-	-	-	9,635.34
Consumption	1,311.41	1,654.92	1,297.58	1,674.10	1,903.61	1,943.45	-	-	-	-	-	-	9,785.08
Monthly Difference	(8.78)	(205.55)	12.51	144.48	(54.56)	(37.84)	-	-	-	-	-	-	(149.74)
% difference	-0.67%	-12.42%	0.96%	8.63%	-2.87%	-1.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-1.5%

* - Out months are Exponential Smoothing (ETS) forecasts based on consumption to date

2023 Consumption Analysis

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

COMPANY TOTALS

Active Shares

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares
Consumption	816.98	838.33	643.13	1,021.26	1,140.50	1,153.91	-	-	-	-	-	-		6,182
Cumulative Consumption	816.98	1,655.30	2,298.43	3,319.68	4,460.18	5,614.08	-	-	-	-	-	-	5,614.08	
Cumulative Entitlement	984.59	1,969.17	2,970.38	3,986.40	5,035.63	6,125.49	-	-	-	-	-	-	12,578.81	
% of Yearly Entitlement*	6.49%	13.16%	18.27%	26.39%	35.46%	44.63%	52.22%	59.98%	67.81%	75.68%	83.56%	91.40%	44.63%	

COMPANY TOTALS

All Shares

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares
Consumption	816.98	838.33	643.13	1,021.26	1,140.50	1,153.91	-	-	-	-	-	-		6,389
Cumulative Consumption	816.98	1,655.30	2,298.43	3,319.68	4,460.18	5,614.08	-	-	-	-	-	-	5,614.08	
Cumulative Entitlement	1,083.33	2,166.67	3,250.00	4,333.33	5,416.67	6,500.00	-	-	-	-	-	-	13,000.00	
% of Yearly Entitlement*	6.28%	12.73%	17.68%	25.54%	34.31%	43.19%	50.52%	58.03%	65.62%	73.23%	80.85%	88.44%	43.19%	

San Antonio Heights

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares
Consumption	41.03	54.66	18.66	84.30	81.07	98.28	-	-	-	-	-	-		632
Cumulative Consumption	41.03	95.69	114.35	198.65	279.72	378.00	-	-	-	-	-	-	378.00	
Cumulative Entitlement	69.41	138.82	218.47	307.25	416.49	550.77	-	-	-	-	-	-	1,285.96	
% of Yearly Entitlement*	3.19%	7.44%	8.89%	15.45%	21.75%	29.39%	34.50%	39.88%	45.36%	50.89%	56.43%	61.98%	29.39%	

City of Upland

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares
Consumption	695.78	672.14	513.80	763.26	875.48	876.37	-	-	-	-	-	-		4,516.50
Cumulative Consumption	695.78	1,367.92	1,881.71	2,644.97	3,520.46	4,396.82	-	-	-	-	-	-	4,396.82	
Cumulative Entitlement	765.83	1,531.66	2,297.48	3,063.31	3,829.14	4,594.97	-	-	-	-	-	-	9,189.94	
% of Yearly Entitlement*	7.57%	14.88%	20.48%	28.78%	38.31%	47.84%	55.82%	63.98%	72.22%	80.48%	88.76%	97.05%	47.84%	

Monte Vista Water District

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares
Consumption	40.60	37.80	43.30	45.90	49.30	52.60	-	-	-	-	-	-		331
Cumulative Consumption	40.60	78.40	121.70	167.60	216.90	269.50	-	-	-	-	-	-	269.50	
Cumulative Entitlement	56.04	112.08	168.12	224.16	280.20	336.24	-	-	-	-	-	-	672.48	
% of Yearly Entitlement*	6.04%	11.66%	18.10%	24.92%	32.25%	40.08%	46.90%	53.81%	60.77%	67.74%	74.68%	81.63%	40.08%	

City of Ontario

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares
Consumption	36.30	33.50	38.40	40.70	43.80	46.70	-	-	-	-	-	-		295
Cumulative Consumption	36.30	69.80	108.20	148.90	192.70	239.40	-	-	-	-	-	-	239.40	
Cumulative Entitlement	50.06	100.13	150.19	200.25	250.32	300.38	-	-	-	-	-	-	600.76	
% of Yearly Entitlement*	6.04%	11.62%	18.01%	24.79%	32.08%	39.85%	46.63%	53.50%	60.40%	67.33%	74.22%	81.12%	39.85%	

* - Out months are Exponential Smoothing (ETS) forecasts based on consumption to date

2023 Consumption Analysis

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

Cucamonga Valley Water District

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares	4
Consumption	-	-	-	-	-	-	-	-	-	-	-	-			
Cumulative Consumption	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cumulative Entitlement	-	-	-	-	-	-	-	-	-	-	-	-	8.14		
% of Yearly Entitlement*															

Holiday Rock Company

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares	132
Consumption	0.48	29.24	27.98	56.98	56.19	36.57	-	-	-	-	-	-			
Cumulative Consumption	0.48	29.73	57.71	114.69	170.88	207.45	-	-	-	-	-	-	207.45		
Cumulative Entitlement	14.52	29.05	45.72	64.29	87.15	115.25	-	-	-	-	-	-	269.10		
% of Yearly Entitlement*	0.18%	11.05%	21.44%	42.62%	63.50%	77.09%	93.90%	110.12%	126.45%	142.81%	159.19%	175.57%	77.09%		

Red Hills Golf Course

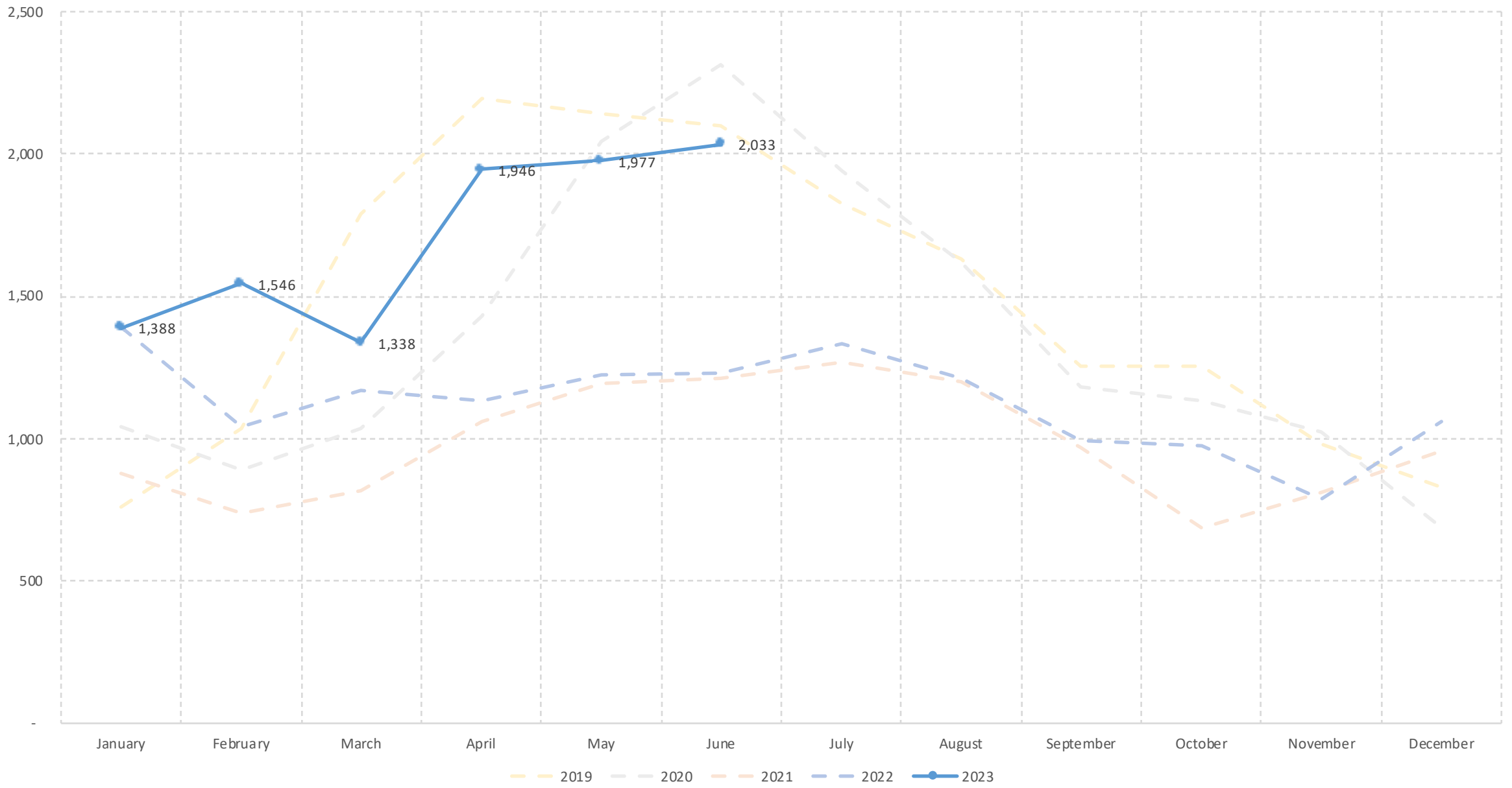
	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares	211
Consumption	1.99	10.31	0.73	28.57	30.23	39.56	-	-	-	-	-	-			
Cumulative Consumption	1.99	12.30	13.03	41.60	71.82	111.38	-	-	-	-	-	-	111.38		
Cumulative Entitlement	23.20	46.40	73.03	102.70	139.21	184.10	-	-	-	-	-	-	429.84		
% of Yearly Entitlement*	0.46%	2.86%	3.03%	9.68%	16.71%	25.91%	30.87%	36.26%	41.83%	47.46%	53.12%	58.80%	25.91%		

Minor Irrigators

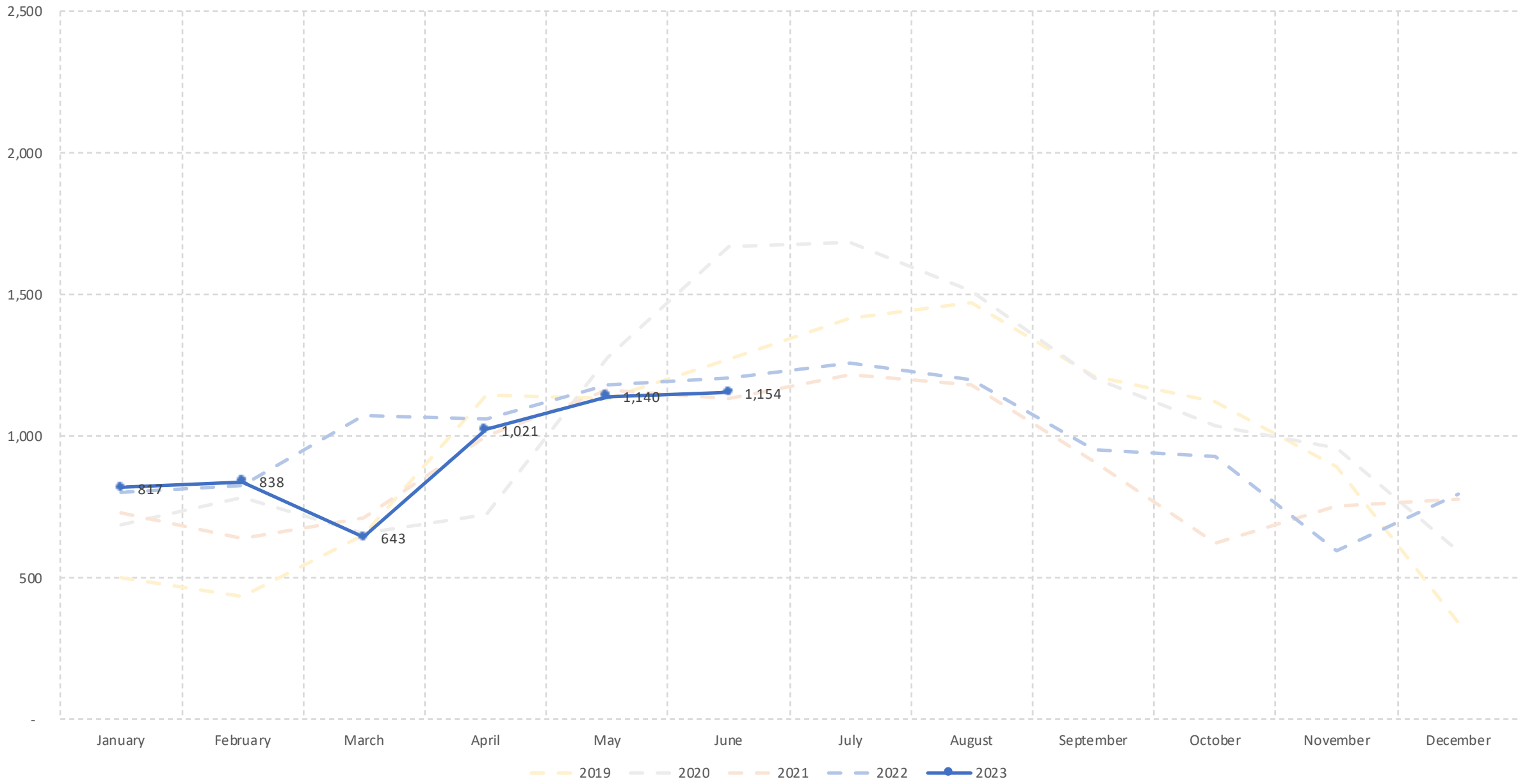
	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares	50
Consumption	0.75	0.38	0.22	0.92	3.10	2.28	-	-	-	-	-	-			
Cumulative Consumption	0.75	1.12	1.34	2.26	5.36	7.63	-	-	-	-	-	-	7.63		
Cumulative Entitlement	5.52	11.04	17.37	24.43	33.11	43.79	-	-	-	-	-	-	102.25		
% of Yearly Entitlement*	0.73%	1.10%	1.31%	2.21%	5.24%	7.46%	8.83%	10.29%	11.81%	13.35%	14.86%	16.36%	7.46%		

* - Out months are Exponential Smoothing (ETS) forecasts based on consumption to date

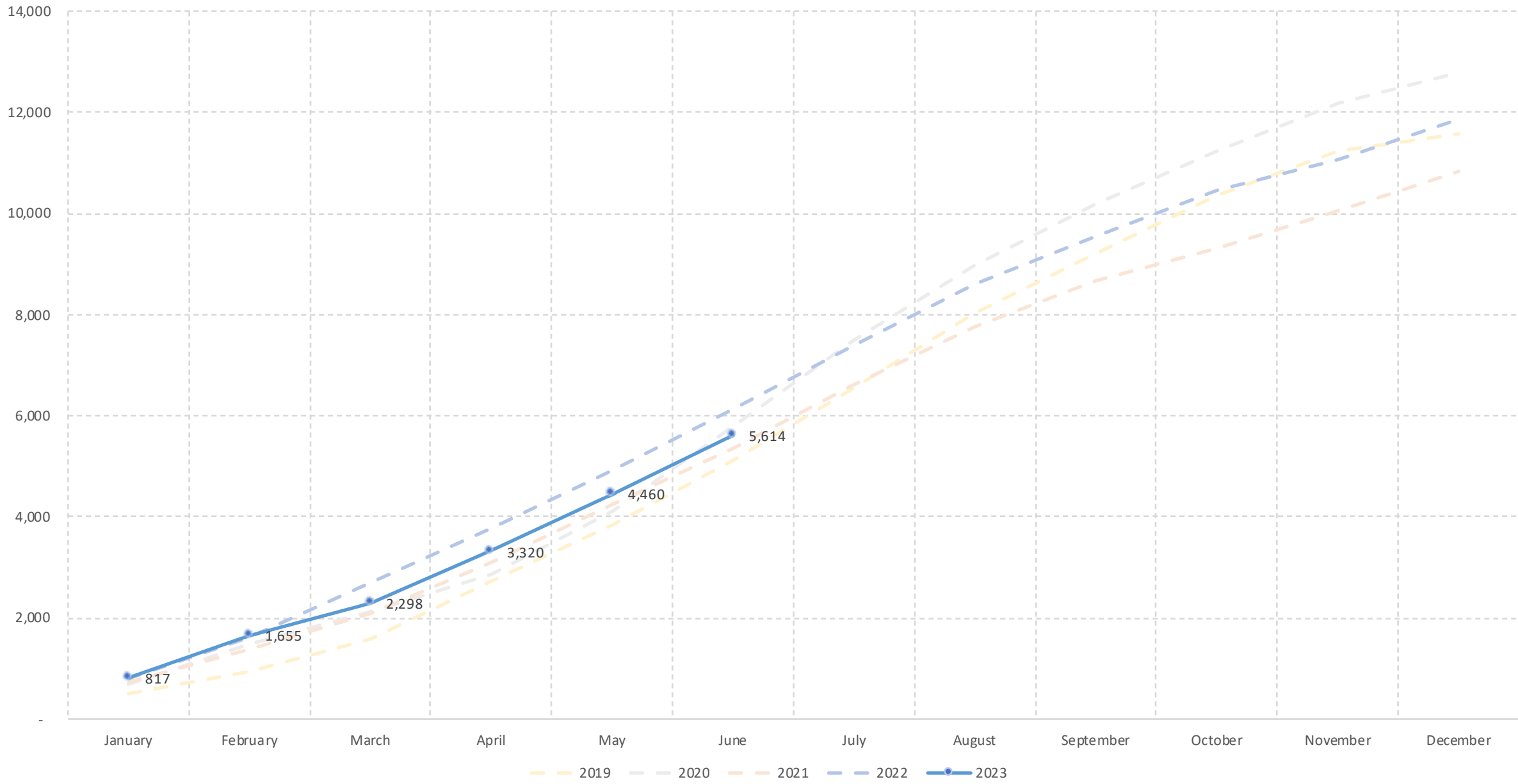
5 Year Production (AF)



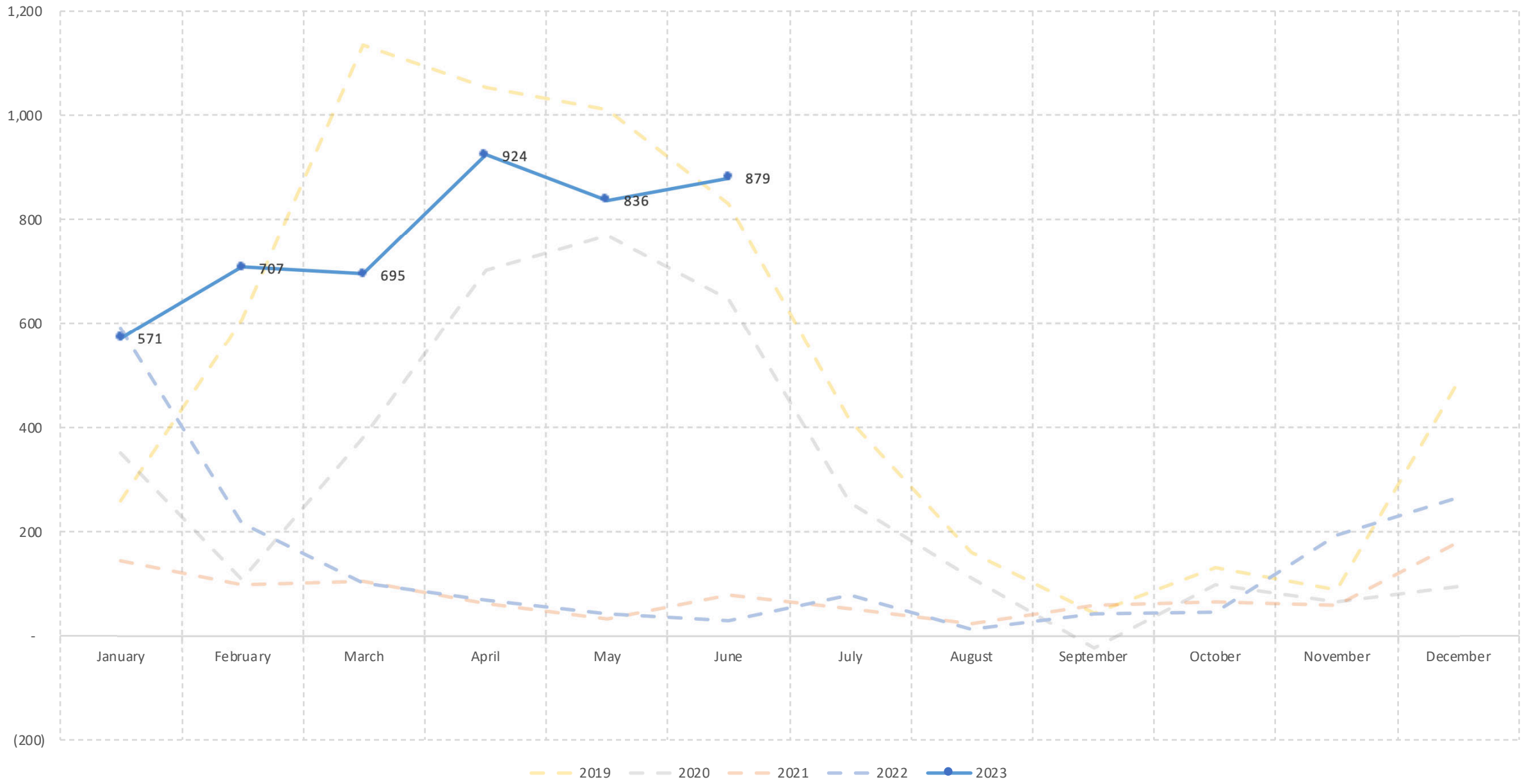
5 Year Consumption (AF)



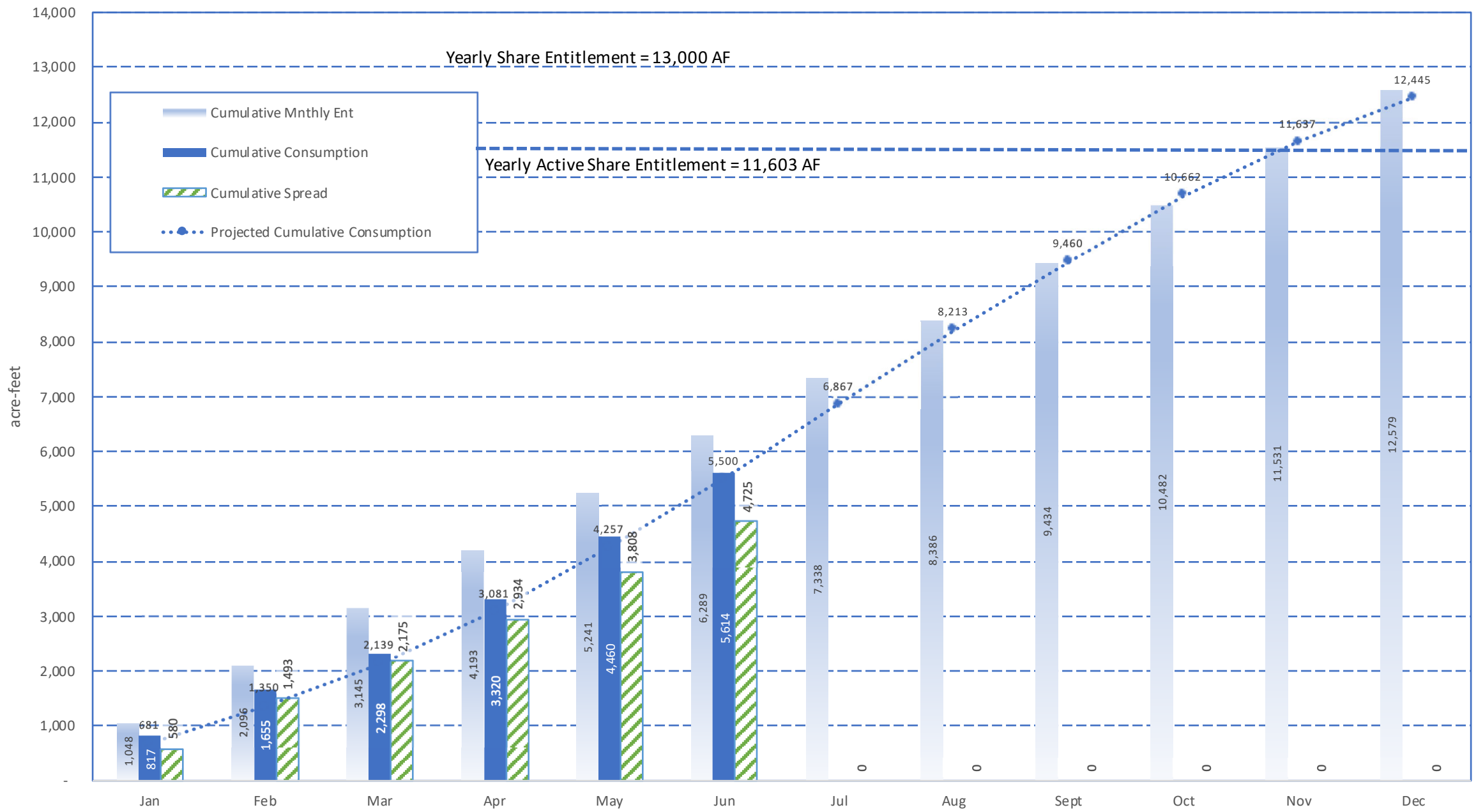
Cumulative Consumption (AF)



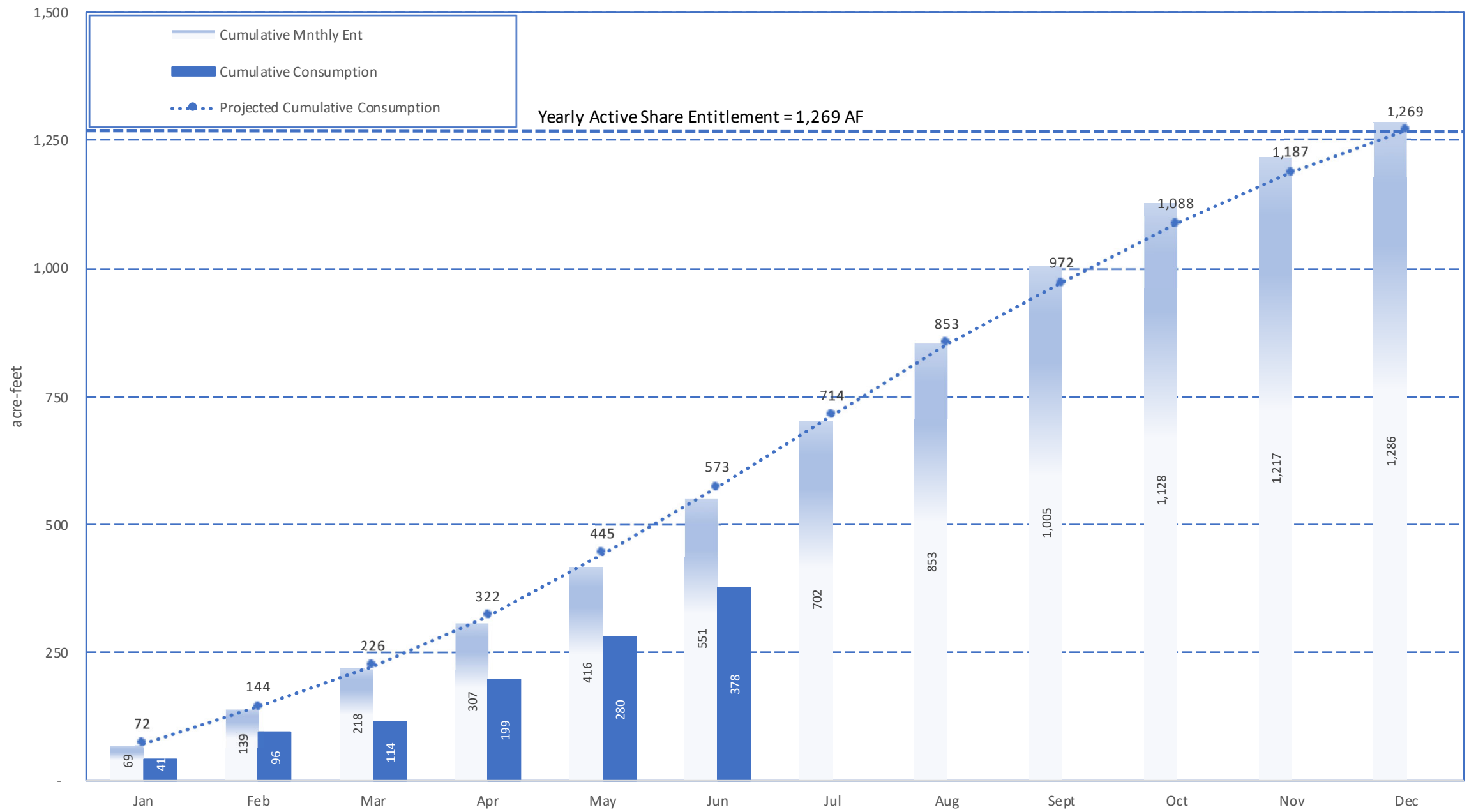
Production minus Consumption (AF)



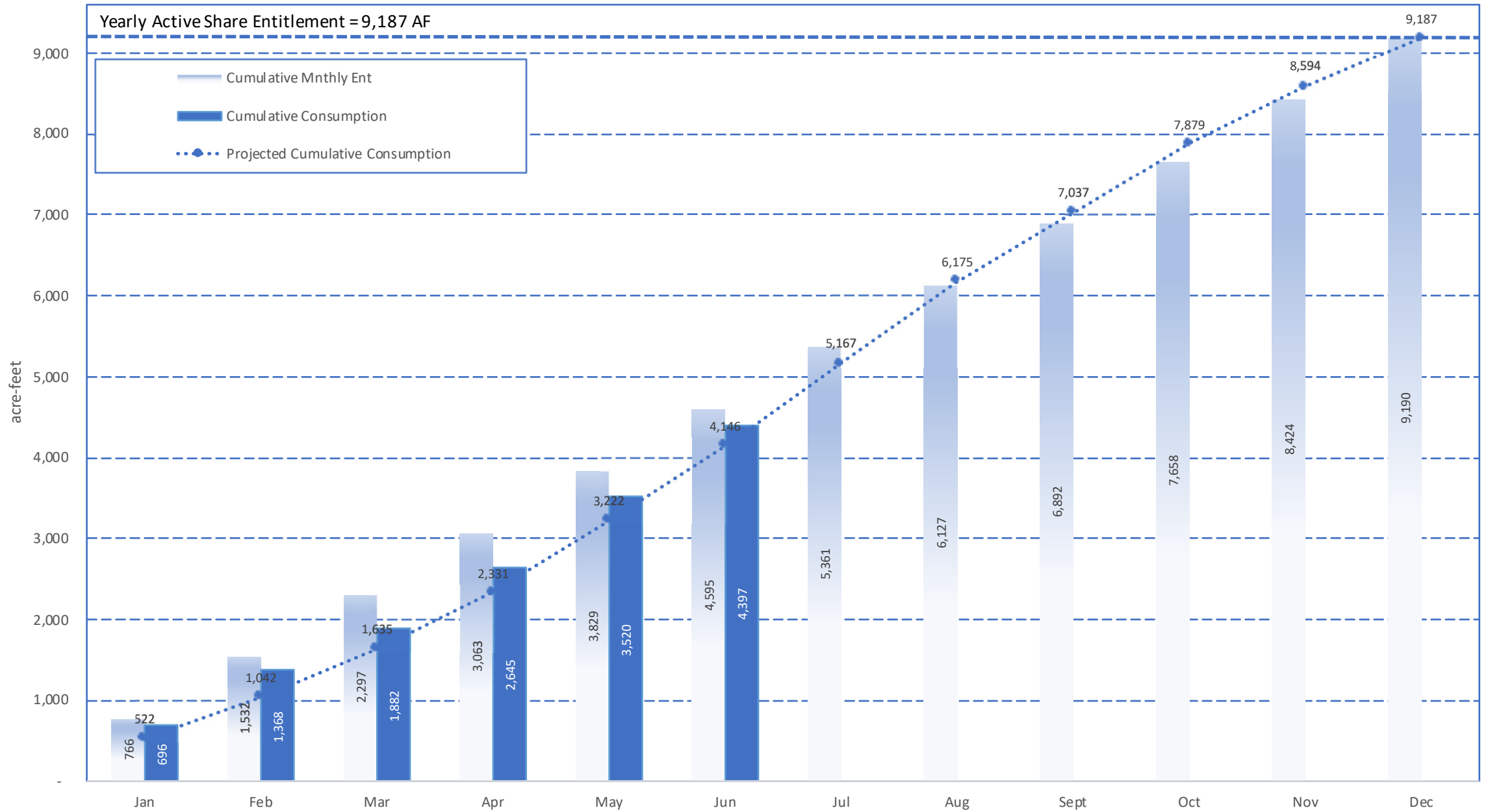
2023 Consumption Chart



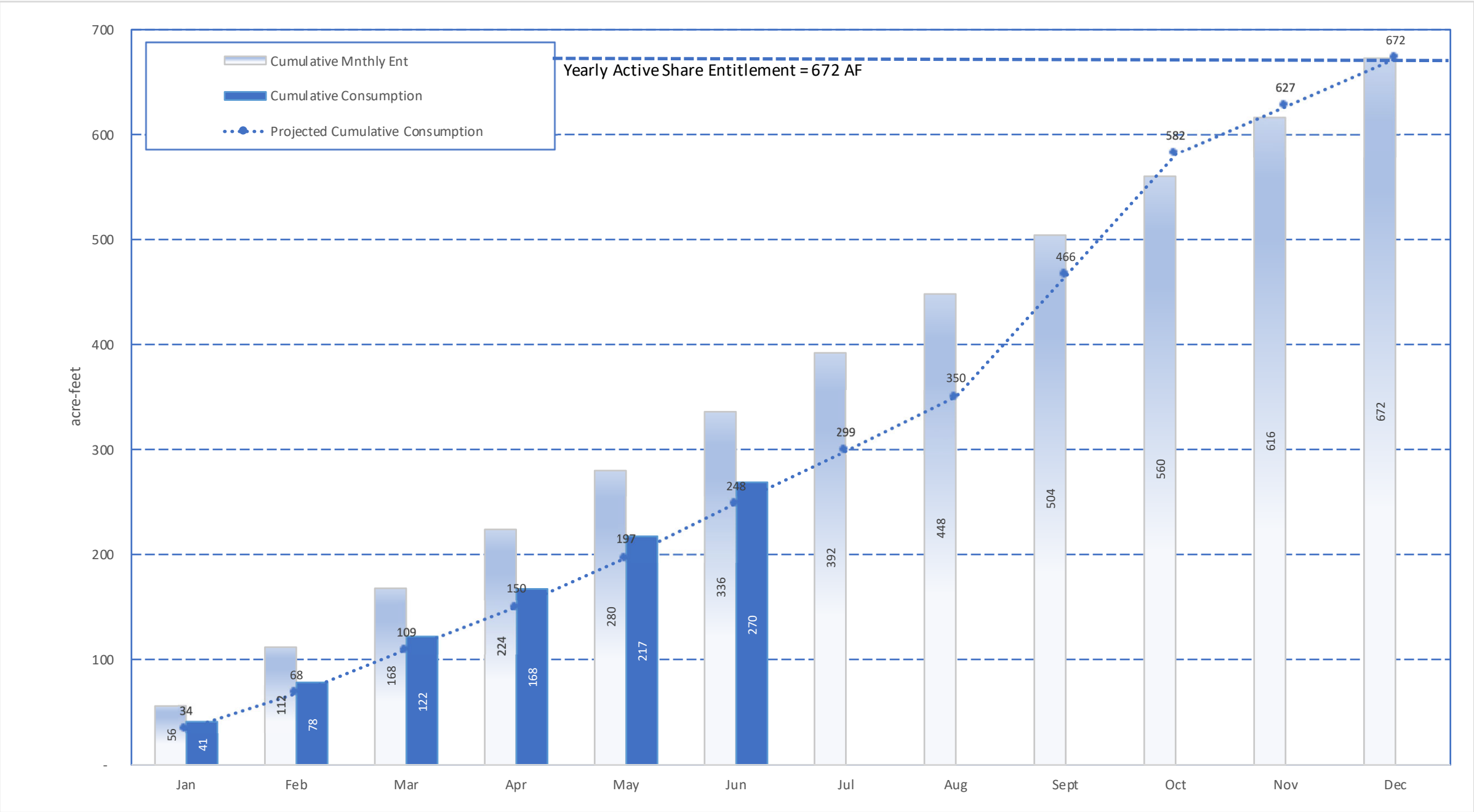
2023 Domestic Consumption



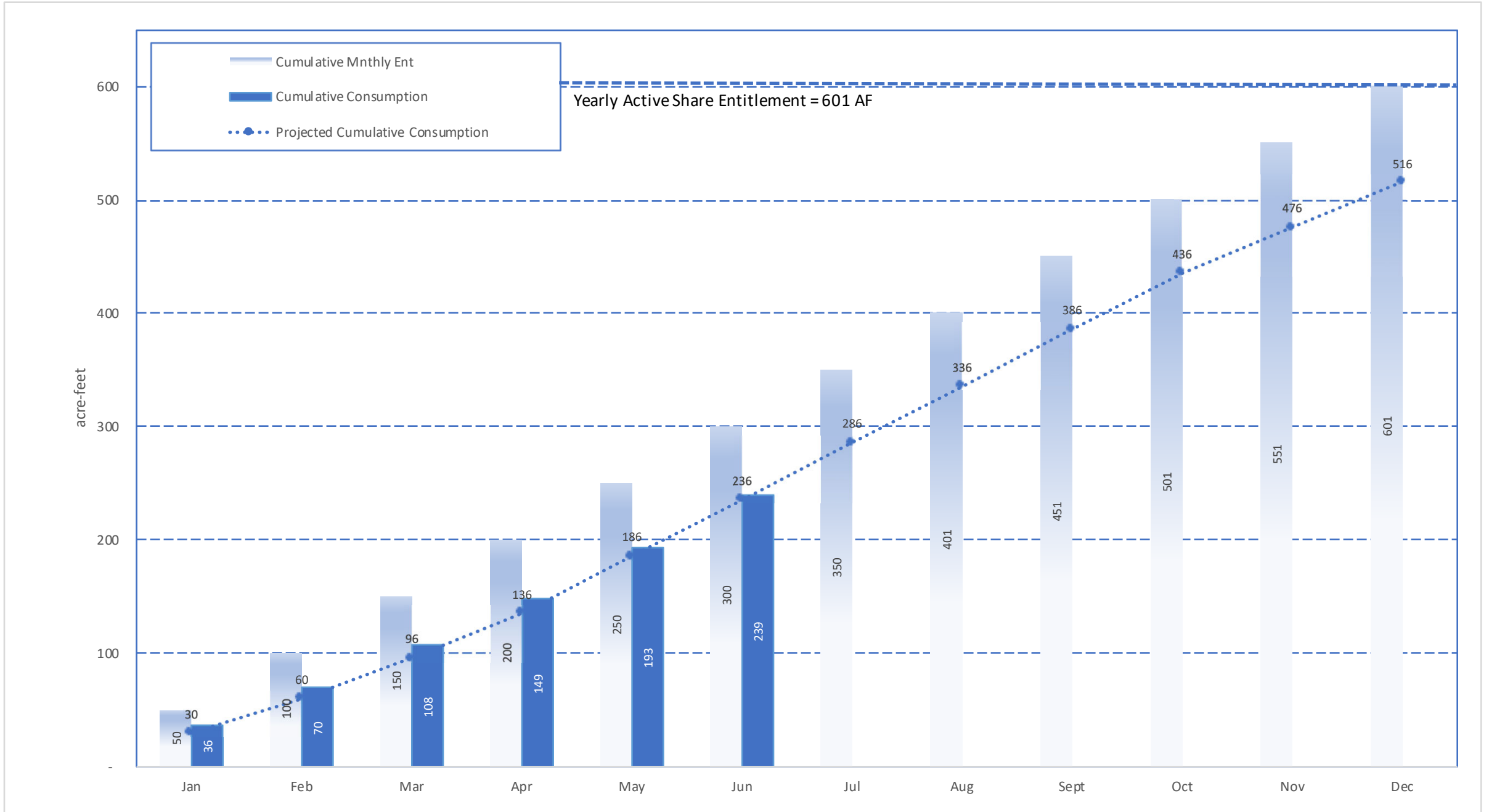
2023 Upland Consumption



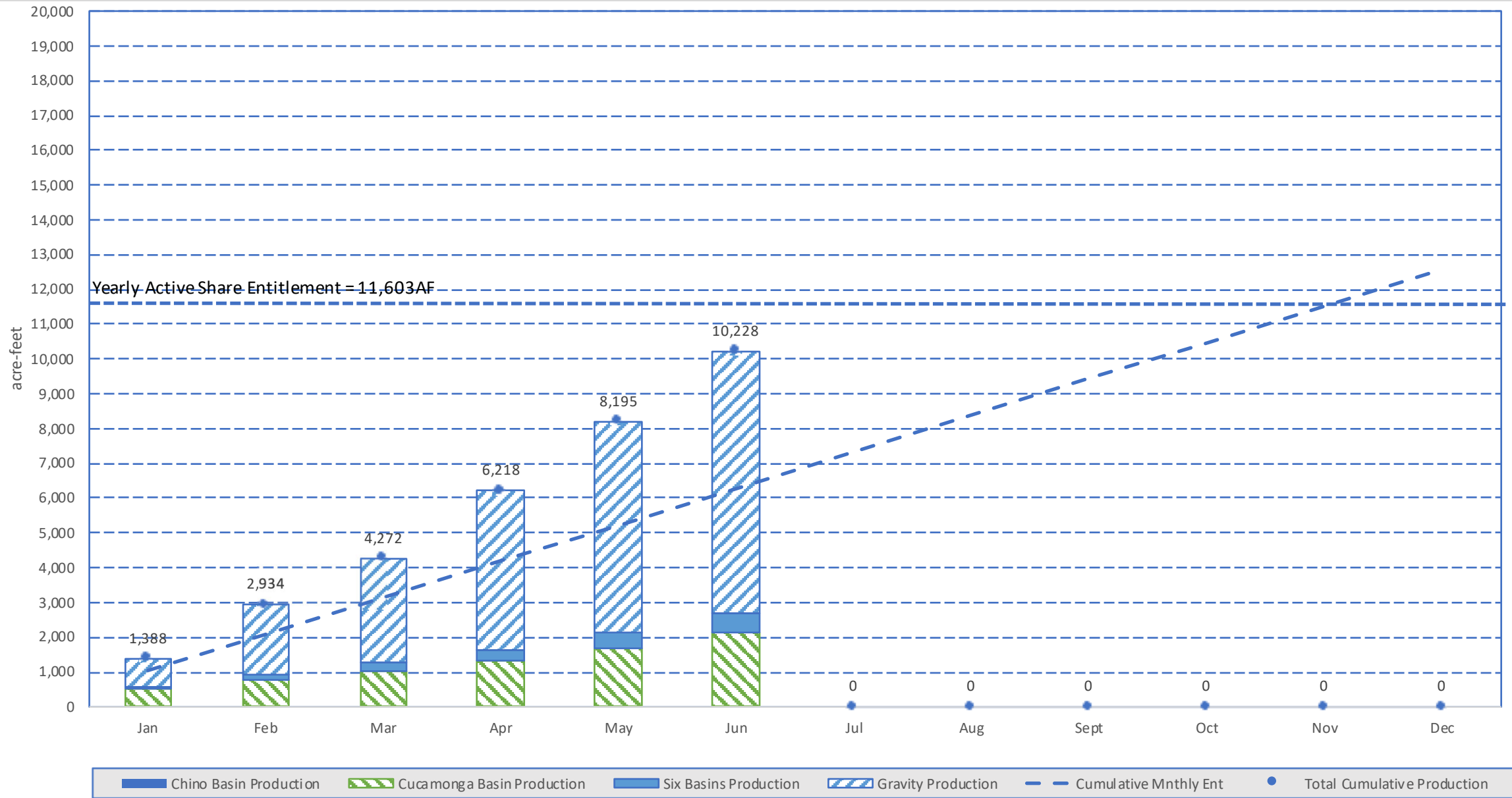
2023 Monte Vista Consumption



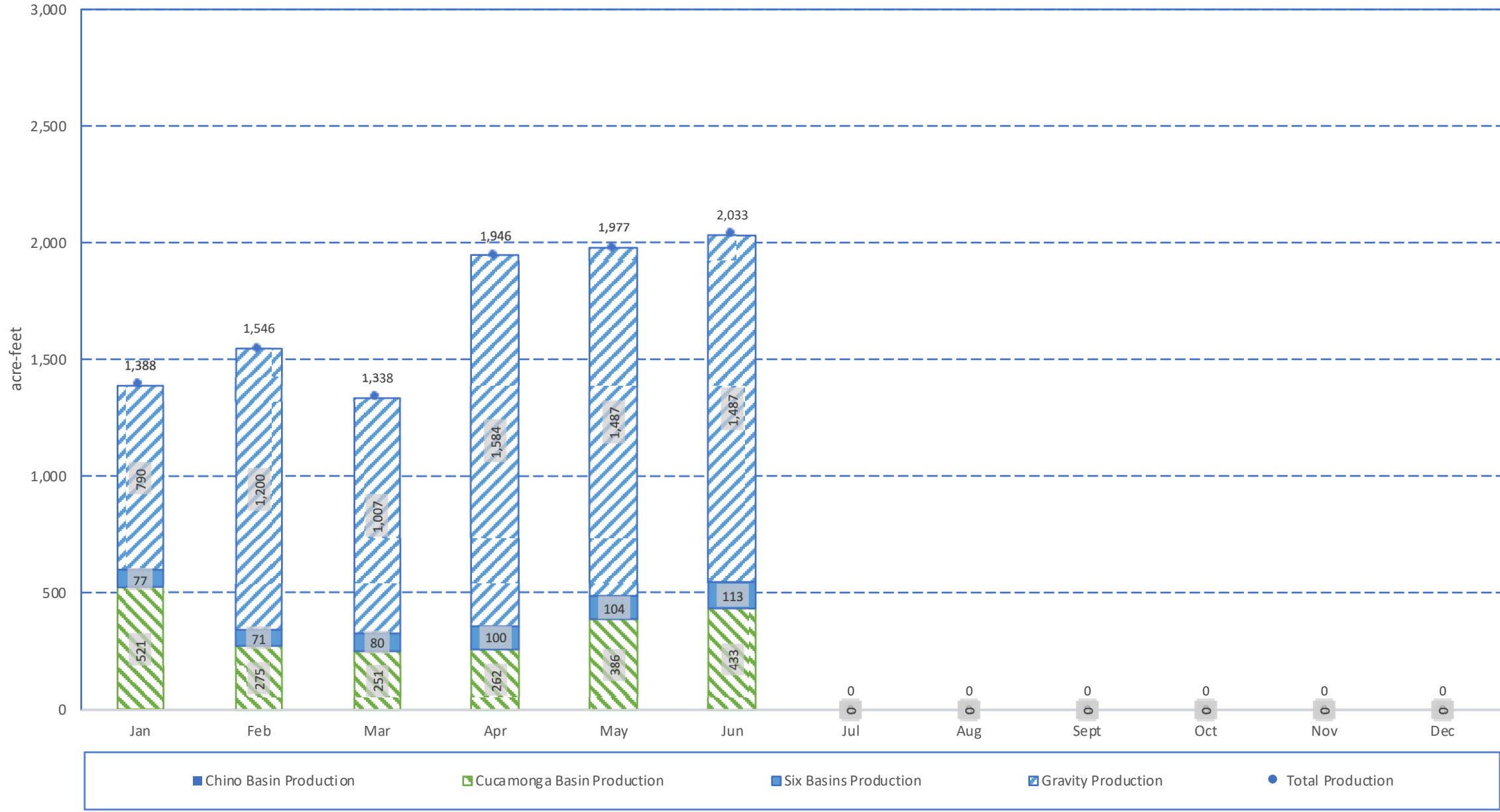
2023 Ontario Consumption



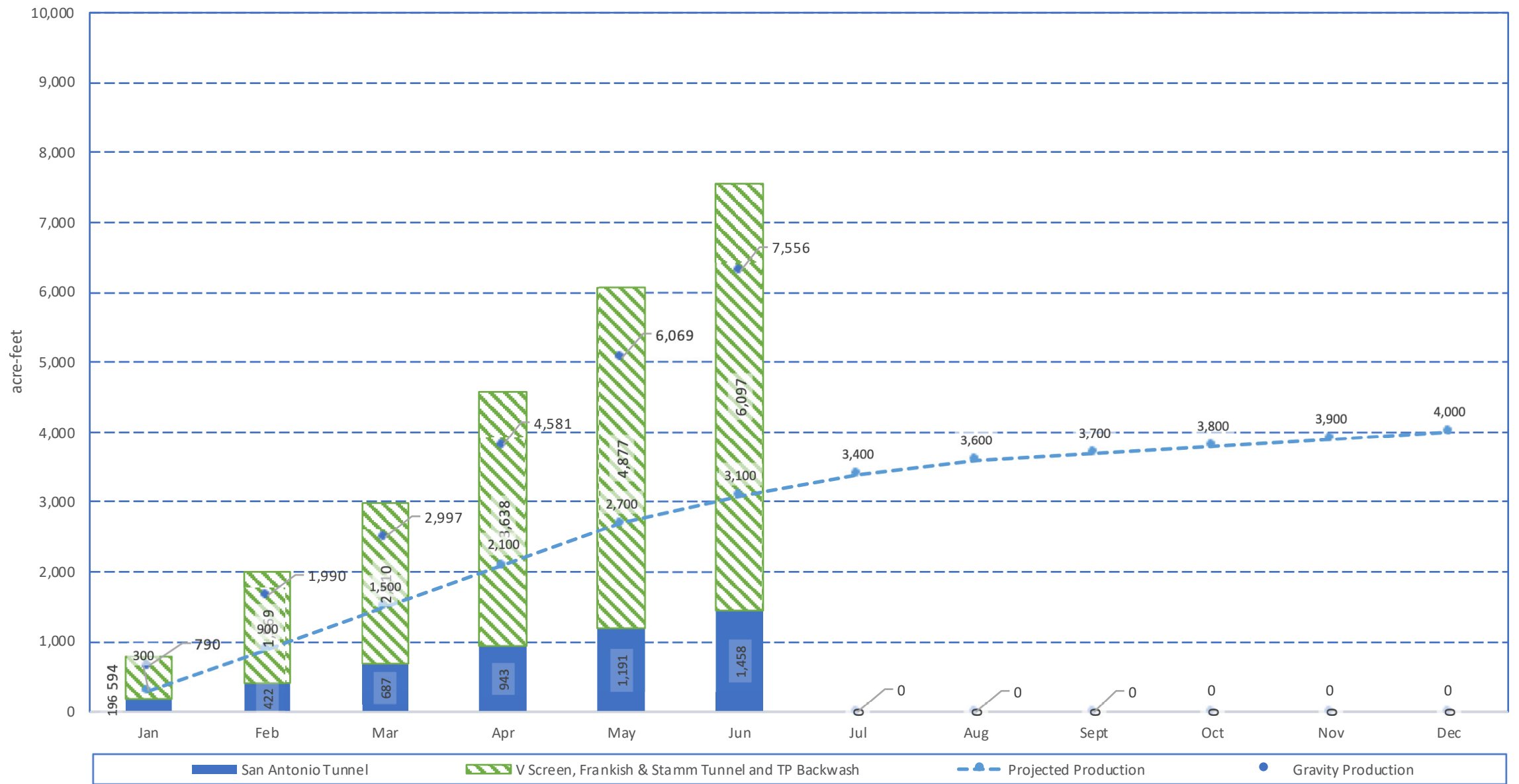
2023 Total Yearly Production



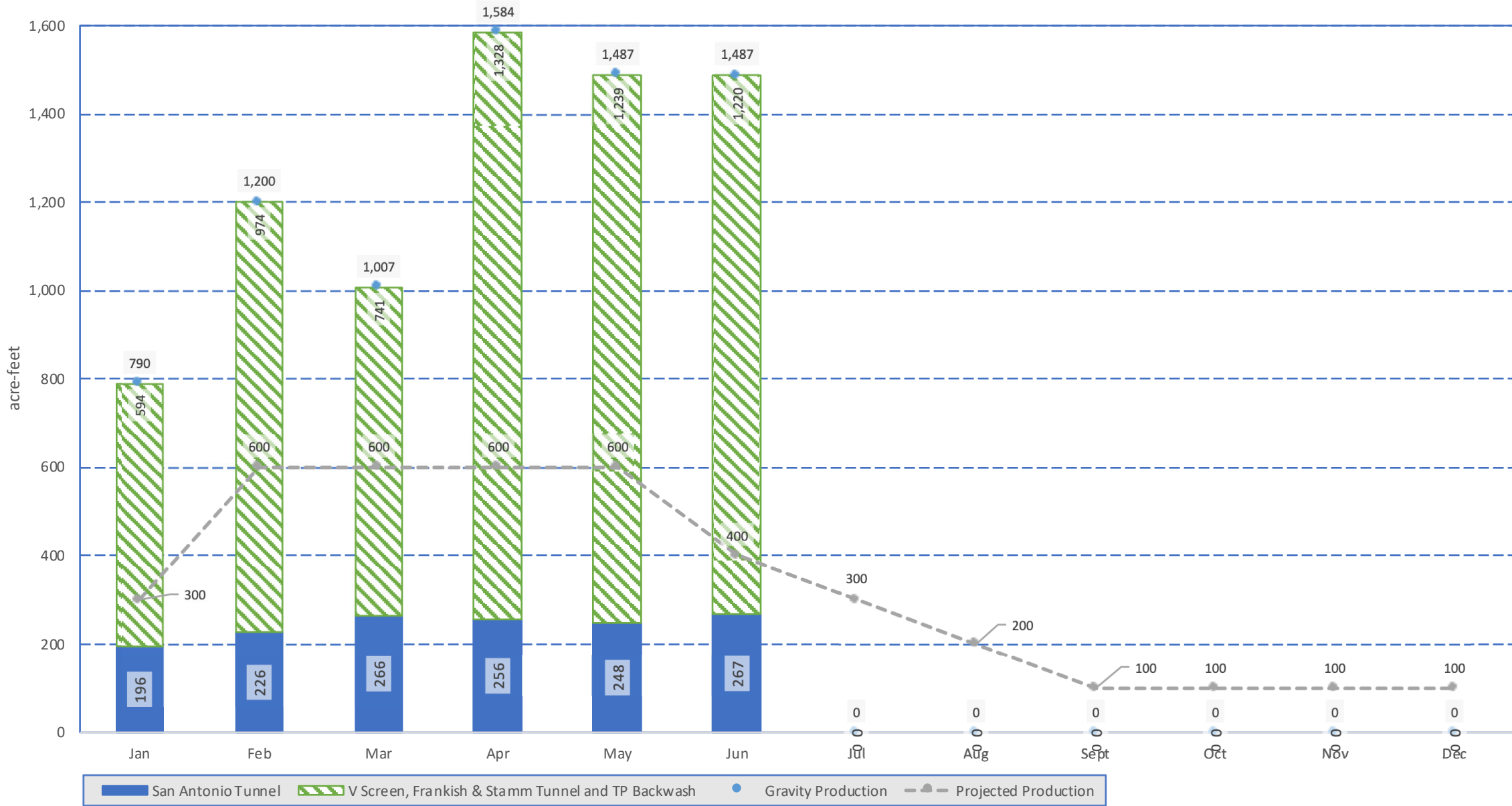
2023 Monthly Production



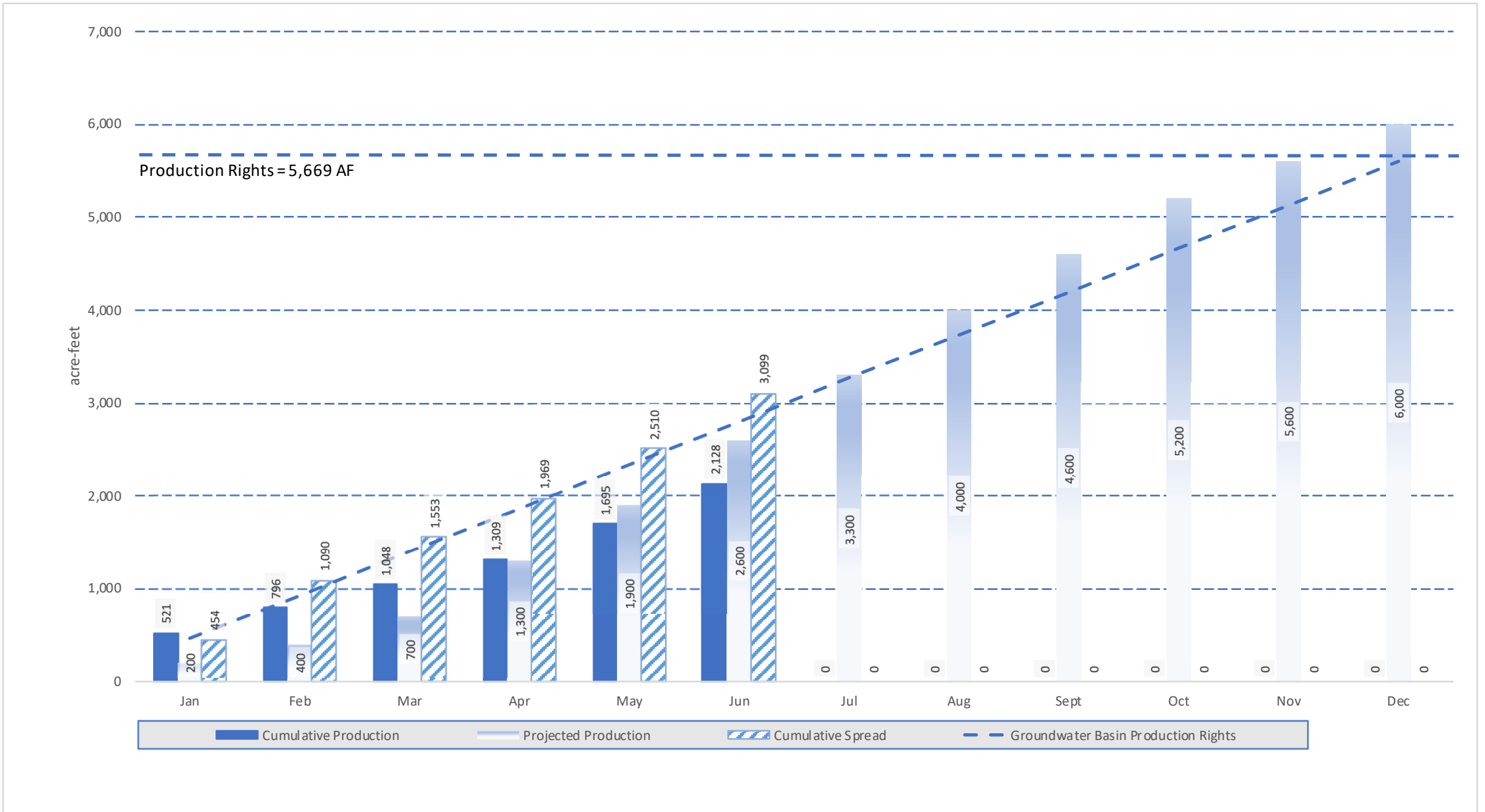
2023 Gravity Cumulative



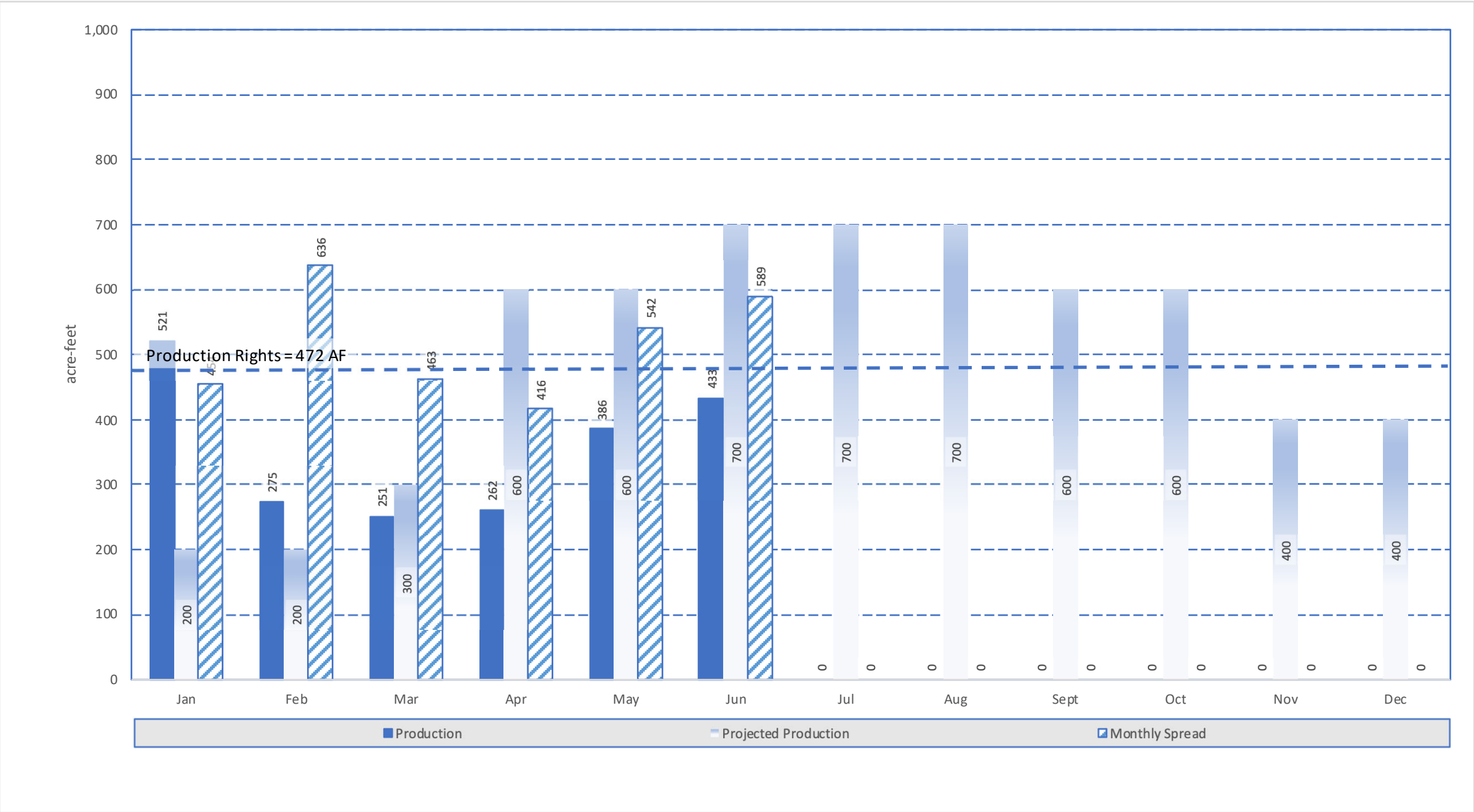
2023 Gravity Monthly



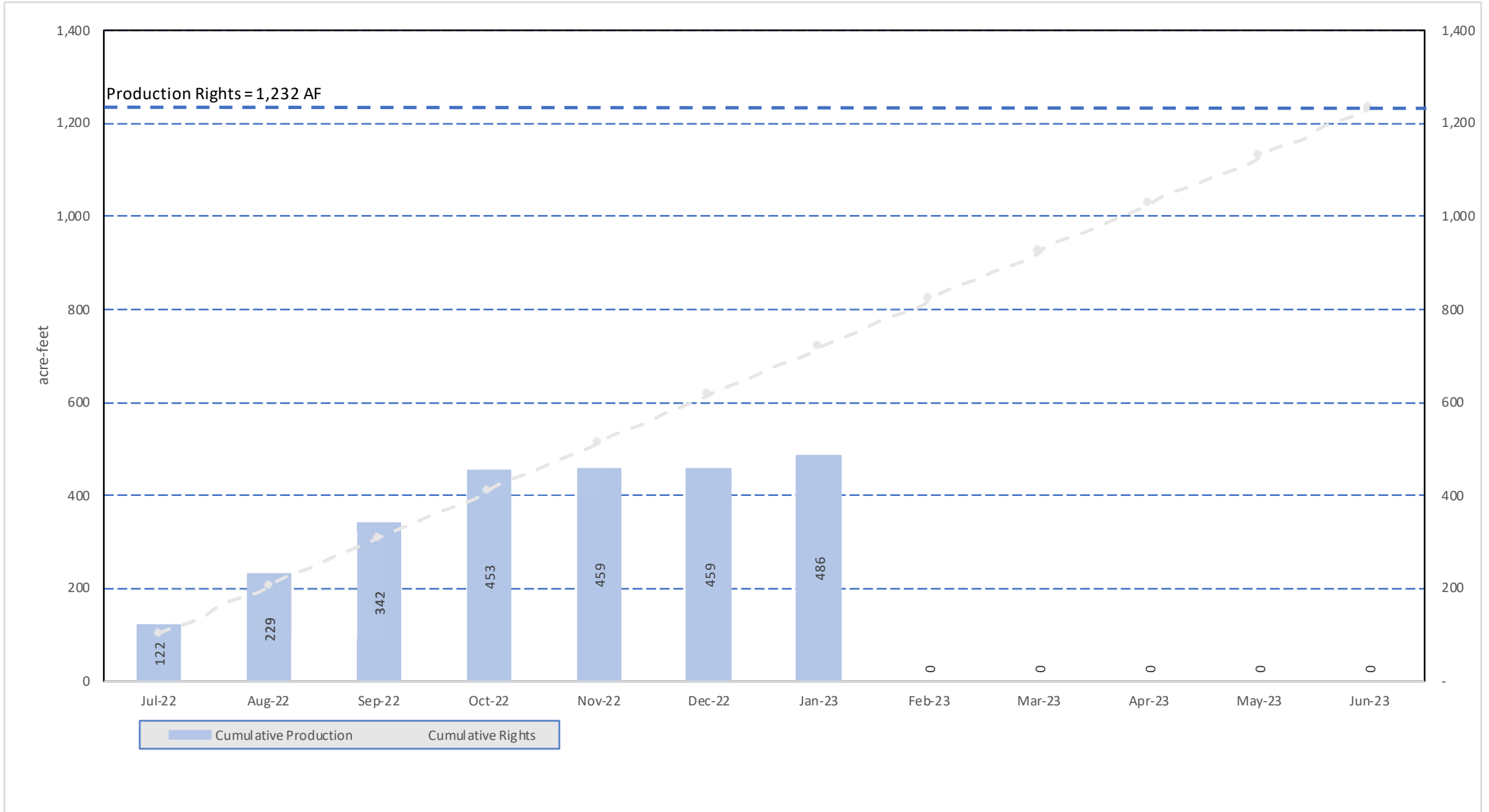
2023 Cucamonga Basin Cumulative



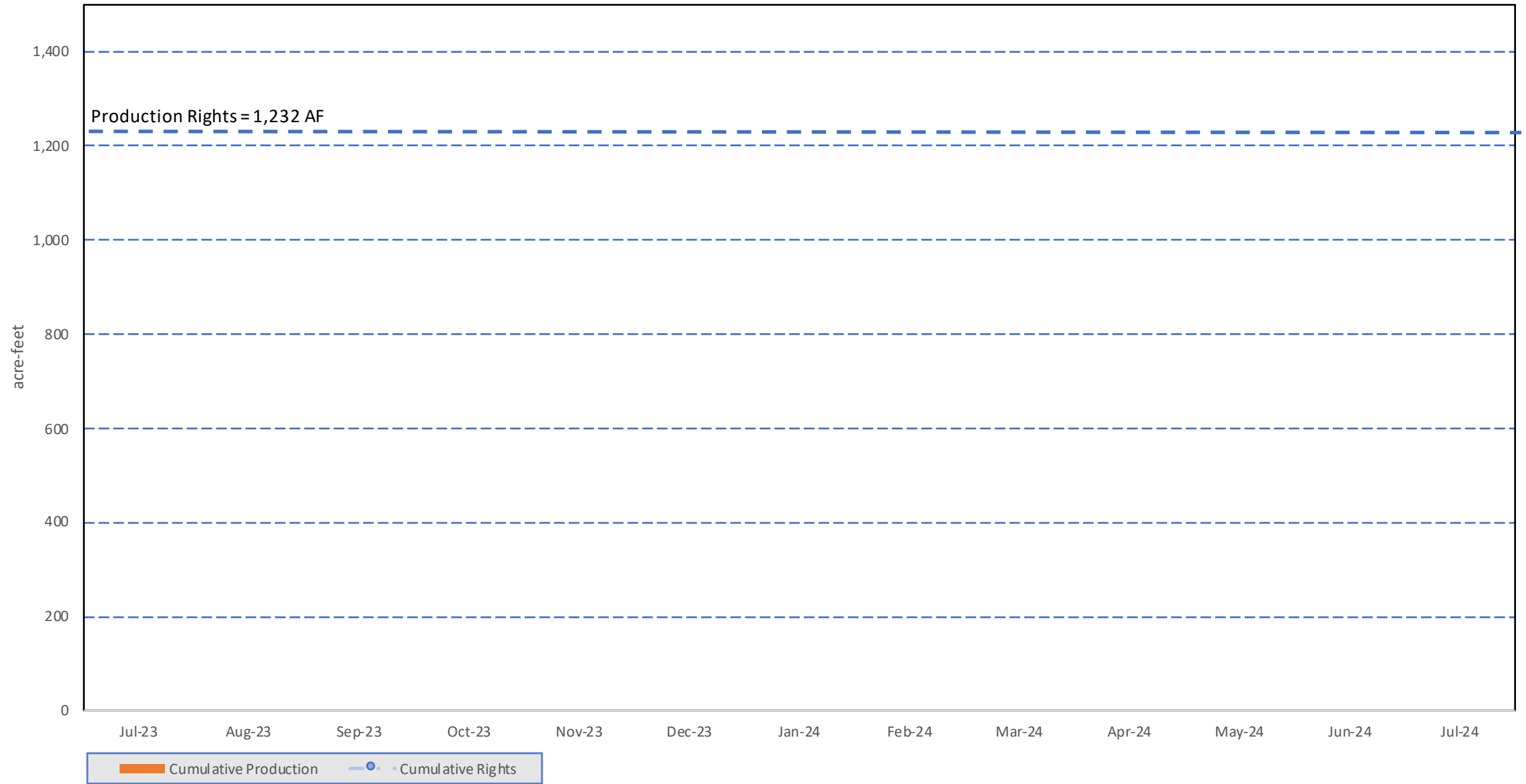
2023 Cucamonga Basin Monthly



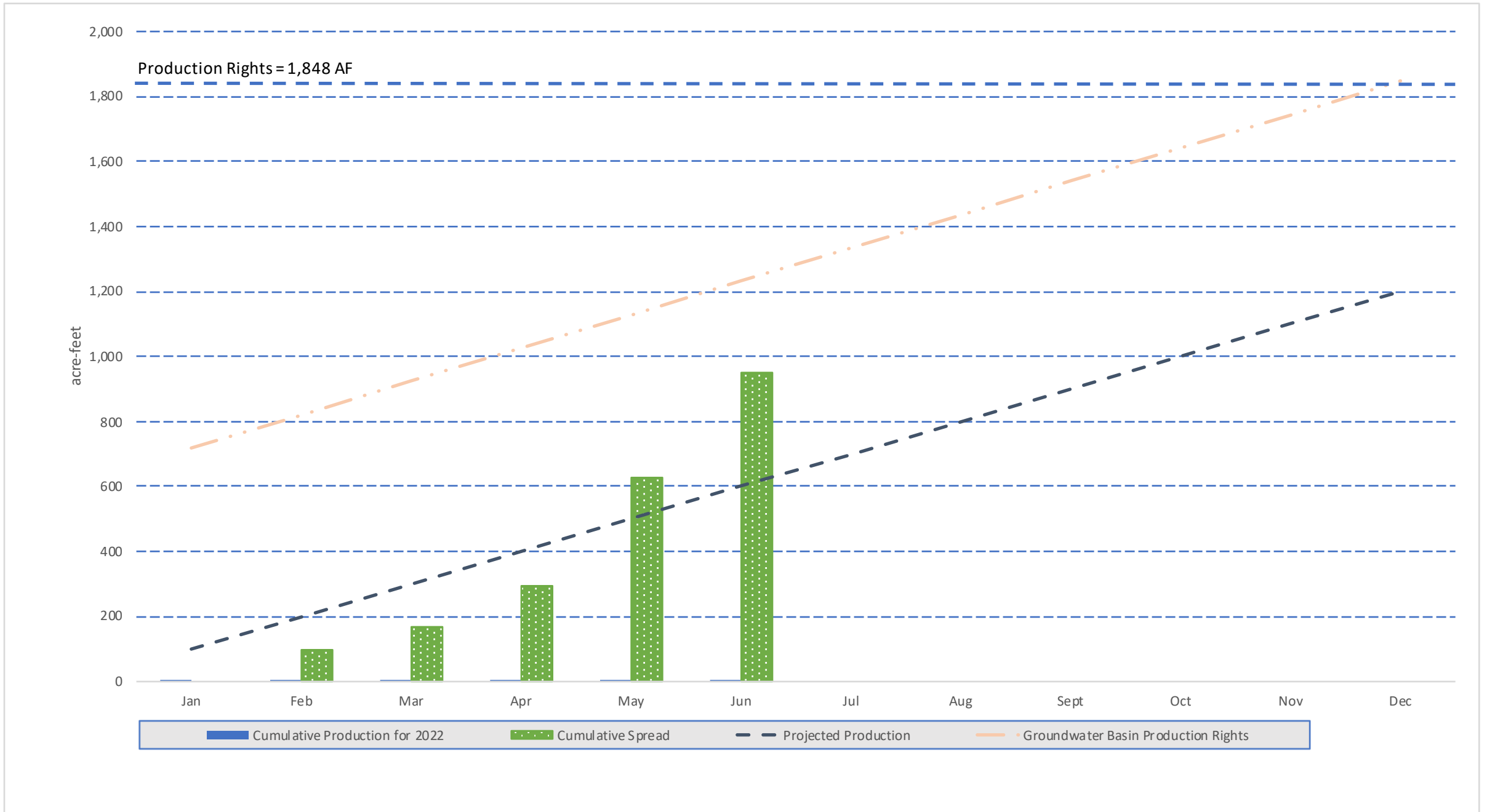
22-23 Chino Basin Cumulative



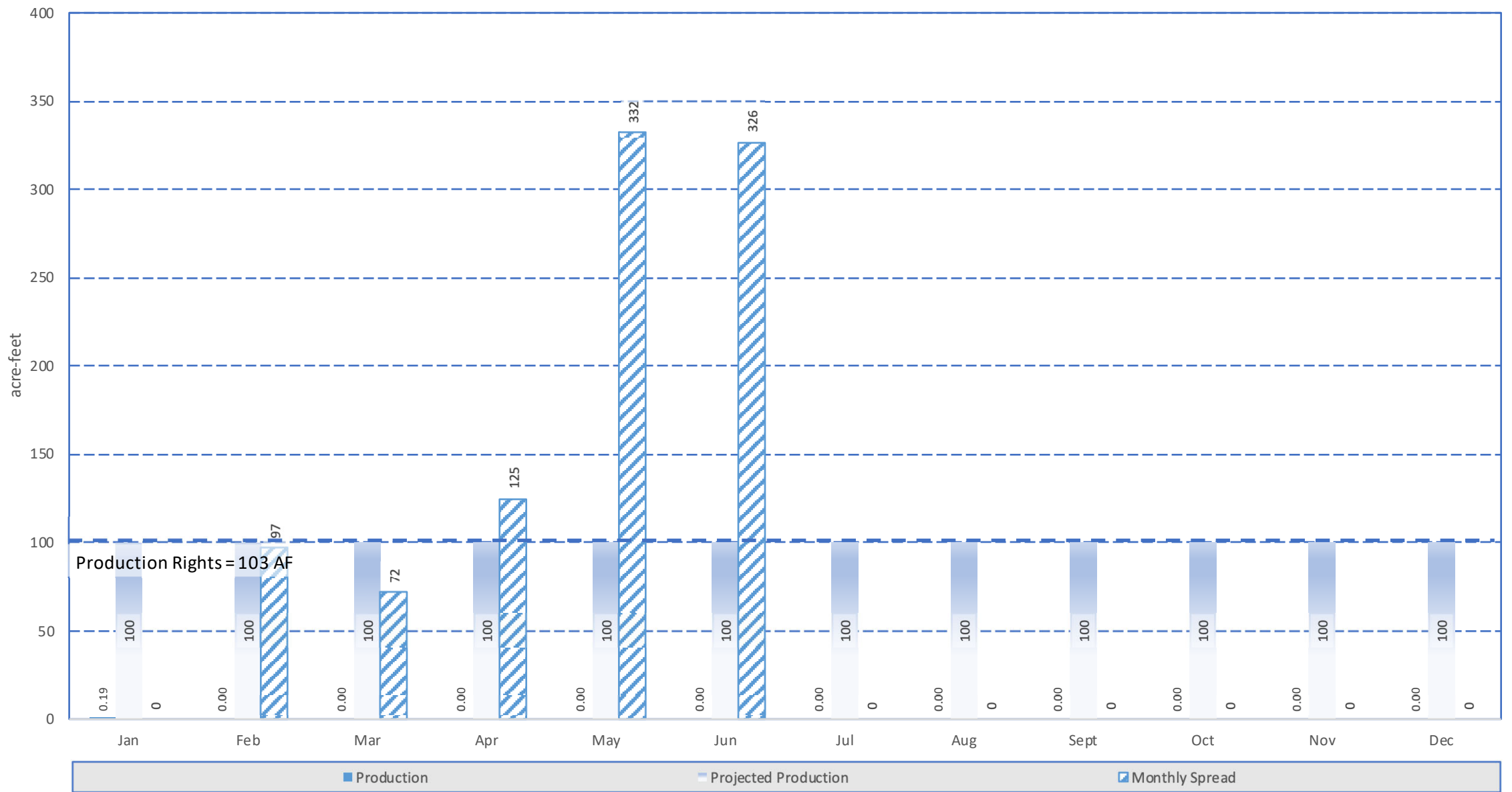
23-24 Chino Basin Cumulativ



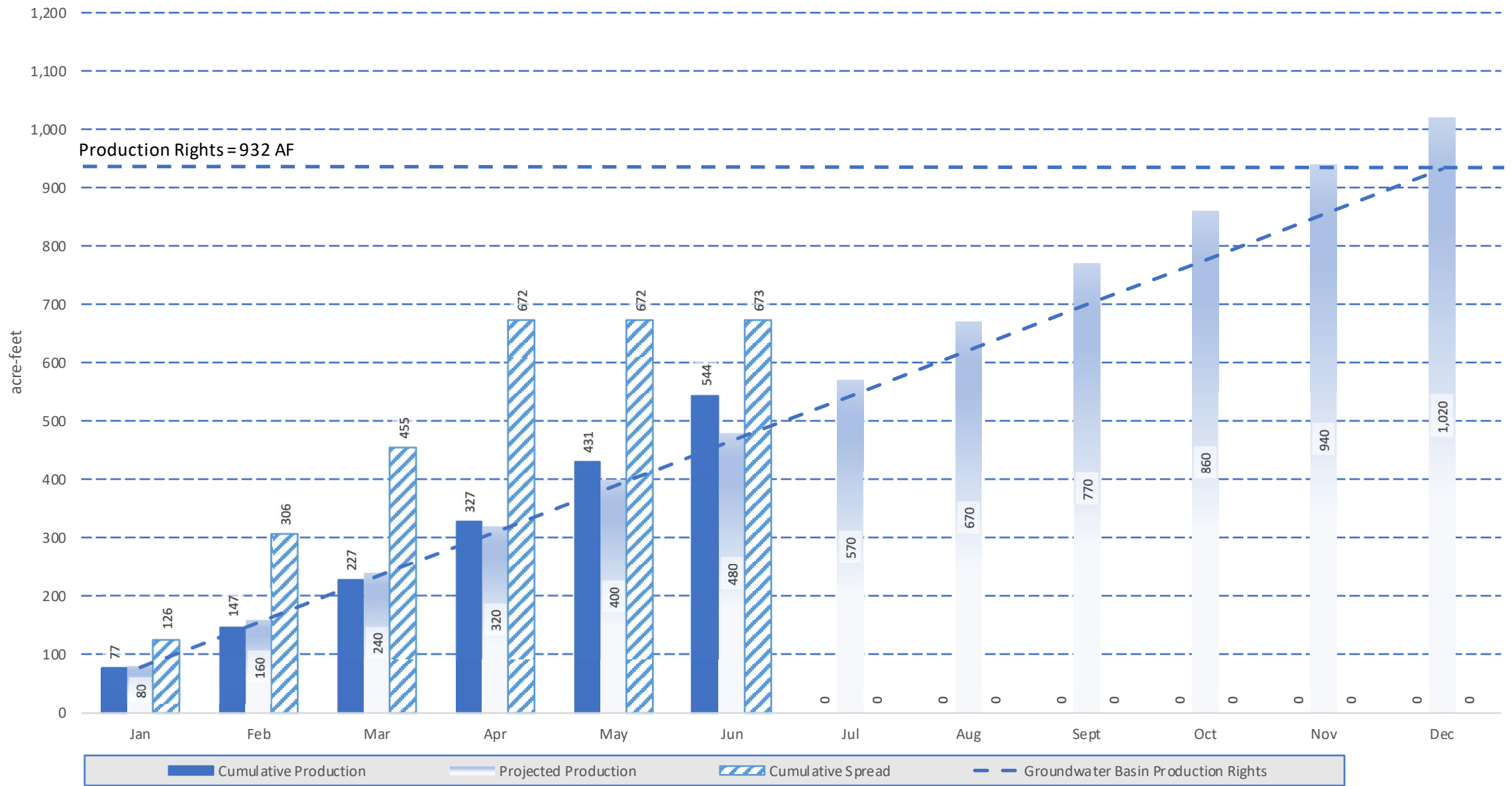
2023 Chino Basin Cumulative



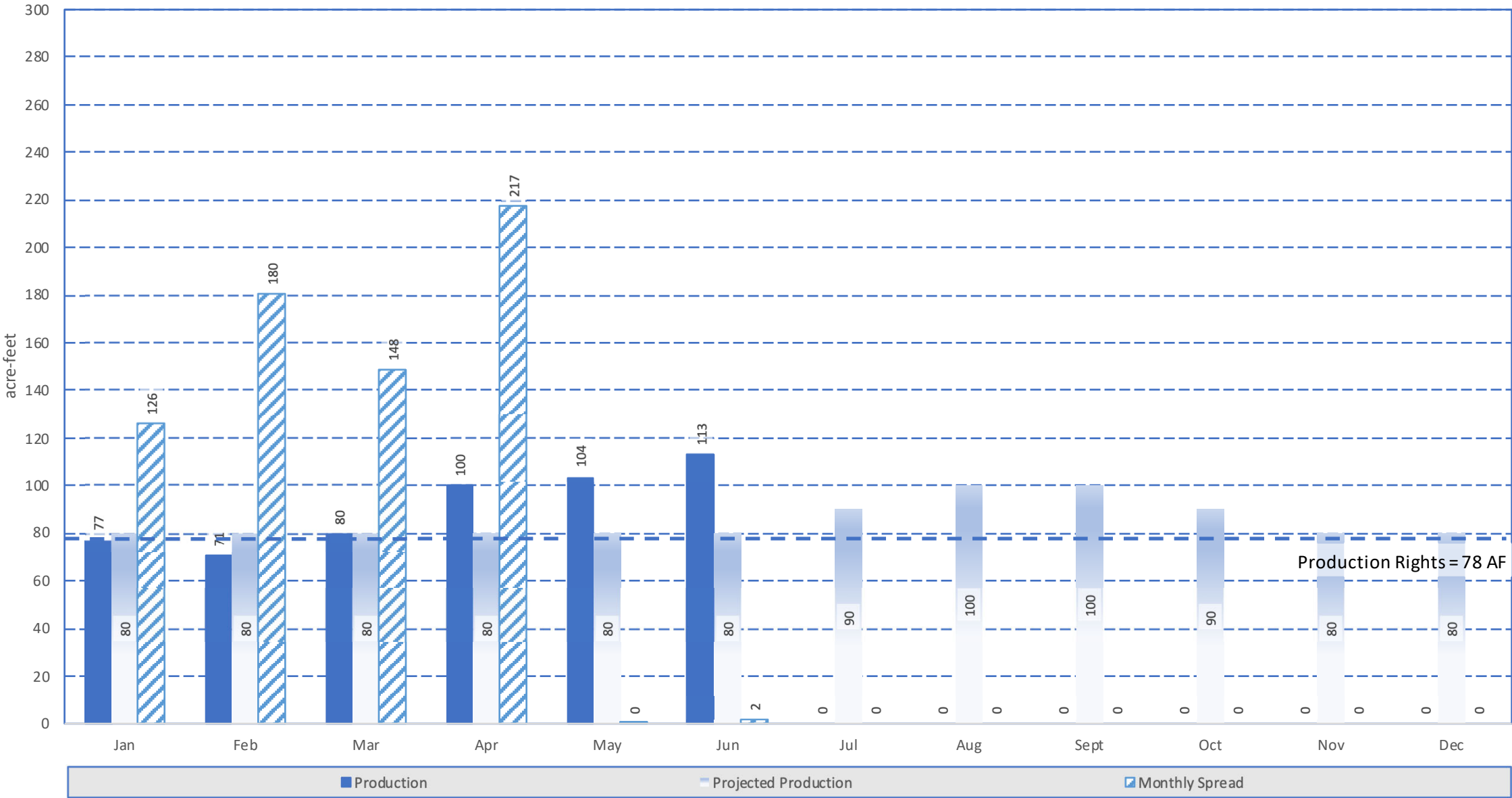
2023 Chino Basin Monthly



2023 Six Basins Cumulative



2023 Six Basins Monthly



A. Water Supply through June 2023

- Annual entitlement for CY2023 is 13,000 AF
 - Cumulative yearly production is 10,228 AF
 - Cumulative yearly consumption was 5,614 AF
 - Cumulative yearly spread was 4,725 AF
 - Cumulative unaccounted water was 111 AF

Six Basins Production for 2023

- Annual production right is 932 AF.
- Cumulative production is 544 AF.
Production is sent to the WFA treatment facility to meet City of Ontario and MVWD entitlement.
- The Company spread a total of 673 AF.

Cucamonga Basin Production for 2023

- Annual production right is 5,669 AF.
- Cumulative production was 2,128 AF.
- The Company spread a total of 3,099 AF.

Chino Basin Production for 2023

- Annual production right is 1,232 AF.
- Cumulative production was 0 AF.
- The Company spread a total of 952 AF.

Surface Water (San Antonio Creek) flow for 2023

Total flow was 5,489 AF.

Tunnel flow for 2023

San Antonio Tunnel flow was 1,458 AF.
Frankish and Stamm Tunnel flow was 603 AF.

B. Company Stock

One quarter (1/4) shares of water stock moved from active to dormant this transfer period.
One quarter (1/4) shares of water stock moved from dormant to active this transfer period.

C. Communication and Information Activities

"Facebook" - 179 friends liking our old FB page and 71 customers have liked our new FB page. No new communication posted on the new page and no new communication on the old Facebook page. Facebook is not able to merge the two Facebook pages; therefore, we are in discussion of possibly deleting the old page.

D. Administration Matters

Meetings of interest:

- Thur, June 29 – GM attended a CBWM AP Meeting
- Tue, July 11 – GM virtually attended a Cucamonga Basin Coordination Meeting
- Thur, July 13 – GM virtually attended a CBWM AP Closed Session

E. Groundwater Basin Matters

Chino Basin -

Spread Water from SAWCo - Application to spread 1,500 AF per year for years 21/22 through 25/26 was approved by WM Board in July, 22. We started spreading water in January 2023.

Legal Issues-

There are currently two appeals in the works:

1. Ontario, Monte Vista and City of Chino have appealed the ruling that AP works under 'majority rule'.
2. Ontario has appealed the ruling that the current Dry Year Yield (DYY) program is operating under a legal contract.

Six Basins –

A Watermaster Board meeting was held on June 28, 2023.

Staff gave an update on the spreading, production and accounting of the basin. An update on MS4 permittees collaboration was given.

There was also a closed session regarding anticipated litigation

The next meeting is scheduled for July 26, 2023.

Cucamonga Basin –

A meeting was held on July 11. The hydrogeologist gave another update on the modeling effort.

Cost sharing past invoices from SAWCo was sent to Cucamonga Valley Water District. Additionally, all available contracts have been provided to CVWD at their request.

Agenda Item No. 41

Item Title: Projects and Operations Update

Purpose:

To update the Board and Shareholders on Company capital projects.

Updates:

1507 – Office Relocation

The Board approved a design and construction management contract at its March 2023 regular meeting. Contract has been executed and Architect is currently working on preliminary plans.

Original Budget	\$4,000,000
Original Contracts	\$283,550
Authorized Change Orders	NA
Current Contracts	\$283,550

1602 – Holly Drive Reservoir, Phase 3

Proposed construction of a second 120,000-gallon tank at the Holly Drive Tank site. Professional services agreement has been fully executed. Contract has been executed. Waiting on material delivery. ~~Contractor has mobilized to site and demolition of existing tank has been completed. Ringwall for new tank being formed.~~ Ringwall is completed. First layer of shell is being installed.

Original Budget	\$985,260
Original Contracts	\$985,260
Authorized Change Orders	NA
Current Contracts	\$985,260

1902 – Cucamonga Crosswalls Mitigation

TKE Engineering is working with staff to close out certain State and Federal Permits. Staff is also looking into long-term maintenance permits that will allow the Company yearly access to the site for clearing and grubbing.

2007 Well 19

Project approved at April 2022 Board Meeting. Contract has been completed. Material being ordered and we are currently scheduling the start of work. Staff was informed this month that material deliveries (specifically the fiberglass casing) is delayed until early 2023. Staff met with contractor on site to review operational plans and held teleconference with team to begin coordinating work. Tentative start of the test well has been scheduled for July 2023. Project scheduled to start later this month. Change Order is on tonight’s agenda.

Original Budget	\$1,130,990
Original Contracts	\$1,130,990
Authorized Change Orders	NA
Current Contracts	\$1,130,990

2201 Paloma Hydraulic Break

Design Contract is being drafted and a pre-design meeting is being scheduled.

Predesign meeting was held in June and consultant is working on a predesign report.

Original Predesign Budget	\$40,000
Original Design/Const. Budget	\$1,080,000
Original Contracts	\$39,750
Authorized Change Orders	NA
Current Contracts	\$39,750

2202 Glendale Road Pipeline

~~Project is completed. Final invoices are being developed.~~

Original Budget.....	\$276,000
Original Professional Services Contracts.....	\$70,023
Original Construction Contract.....	\$437,931
Authorized Change Orders.....	NA
Current Contracts	\$507,954

2203 Well 31 Pipeline

Project budgeted in the 2022 year. Replace approximately 1,400 linear feet of 14” pipeline from Well 31 delivering water to facilities at Golf Club Drive along backside of homes and within Upland Hills Country Club waterline easement. Abandon aged pipeline. The current steel pipeline was installed before 1976 and has exceeded its useful life. Identified by staff as a high maintenance pipeline. Design contract has been awarded and predesign meeting has occurred. Consultant is determining best alignment.

Original Budget.....	\$420,000
Original Contracts	\$0
Authorized Change Orders.....	NA
Current Contracts	NA

2204 GIS Update

At the August Special Meeting, the Board authorized a contract with WSC to update the Company’s GIS maps. Contract has been executed. Consultant working on updates. WSC conducted training and system review with staff in May. Staff is providing field updates into the GIS system for consultant to correct on a quarterly/half year basis.

Original Budget.....	\$11,110
Original Contracts	\$11,110
Authorized Change Orders.....	NA
Current Contracts	\$11,110

2207 Well 31 Repair

Well 31 suffered a catastrophic failure in October 2022. The Board authorized a repair contract at its special Budget workshop in December 2022. Contract has been executed and material is being procured. Well has been swabbed and equipment is currently being installed. Project is complete.

Original Budget.....	\$220,000
Original Contracts	\$200,000

Agenda Date: July 18, 2023

Authorized Change Orders.....NA
Current Contracts\$3,665

2301 Well 16 Conversion

~~Contractor is waiting on material delivery-~~ Project is complete.

Original Budget.....\$405,000
Original Contracts\$390,665
Authorized Change Orders.....NA
Current Contracts\$390,665

GROUNDWATER LEVELS
(feet below ground surface)

	2012				2013				2014				2015				2016				2017				2018				2019				2020				2021				2022				2023							
CUCAMONGA BASIN	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr				
	-211	-192	-202	-195	-191	-199	-211	-213	-202	-230	-255	-238	-239	-239	-249	-259	-251	-251	-261	-280	-301	-296	-312	-298	-305	-313	-321	-324	-300	-299	-306	-308	-279	-271	-297	-297	-283	-283	-308	-306	-305	-315	-321	-336	-326	-314						
CHINO BASIN	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr
	-309	-307	-341	-328	-368	-353	-341	-385	-357	-391	-409	-418	-423	-424	-427	-427	-430	-452	-462	-466	-451	-441	-441	-442	-450	-451	-468	-473	-458	-428	-396	-402	-396	-389	-326	-383	-386	-384	-354	-321	-417	-428	-408	-447	-443	-396						
SIX BASINS	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr
Six Basins																																																				
Well 26 & 27A & 25A	-282	-322	-358	-347	-380	-385	-448	-421	-477	-425	-439	-454	-450	-428	-459	-439	-467	-472	-528	-482	-447	-463	-547	-451	-525	-432	-506	-437	-337	-414	-439	-338	-380	-320	-420	-355	-379	-406	-375	-364	-356	-415	-401	-386	-399	-384						
Well 28	-265	-268	-271	-273	-277	-278	-279	-280	-281	-280	-280		-277	-281	-282	-283	-283	-284	-286	-283	-270	-270	-272	-267	-277	-281	-283	-228	-243	-257	-267	-271	-272	-245	-271	-275	-278	-280	-280	-282	-280	-280	-281	-277	-208							

* six basin levels come from well 25A only, the other wells (26&27A) were not shut down during the third quarter 2017.

0

Static water levels for Cucamonga Basin wells 2, 3, 22, 24, 31, 32

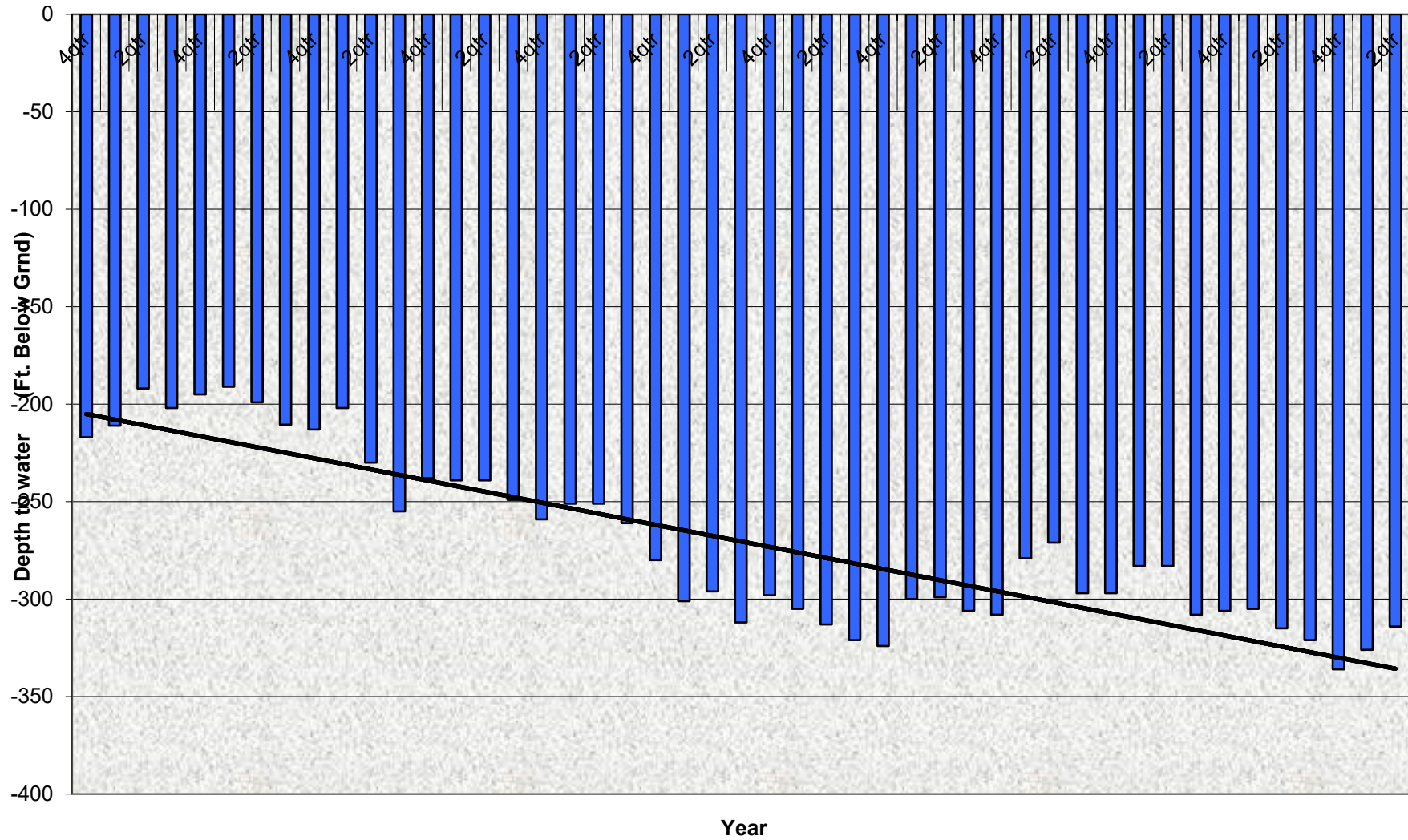
Static water levels for Chino Basin wells 15, 16

Static water levels for 6 Basin wells 25a, 26 and 27a

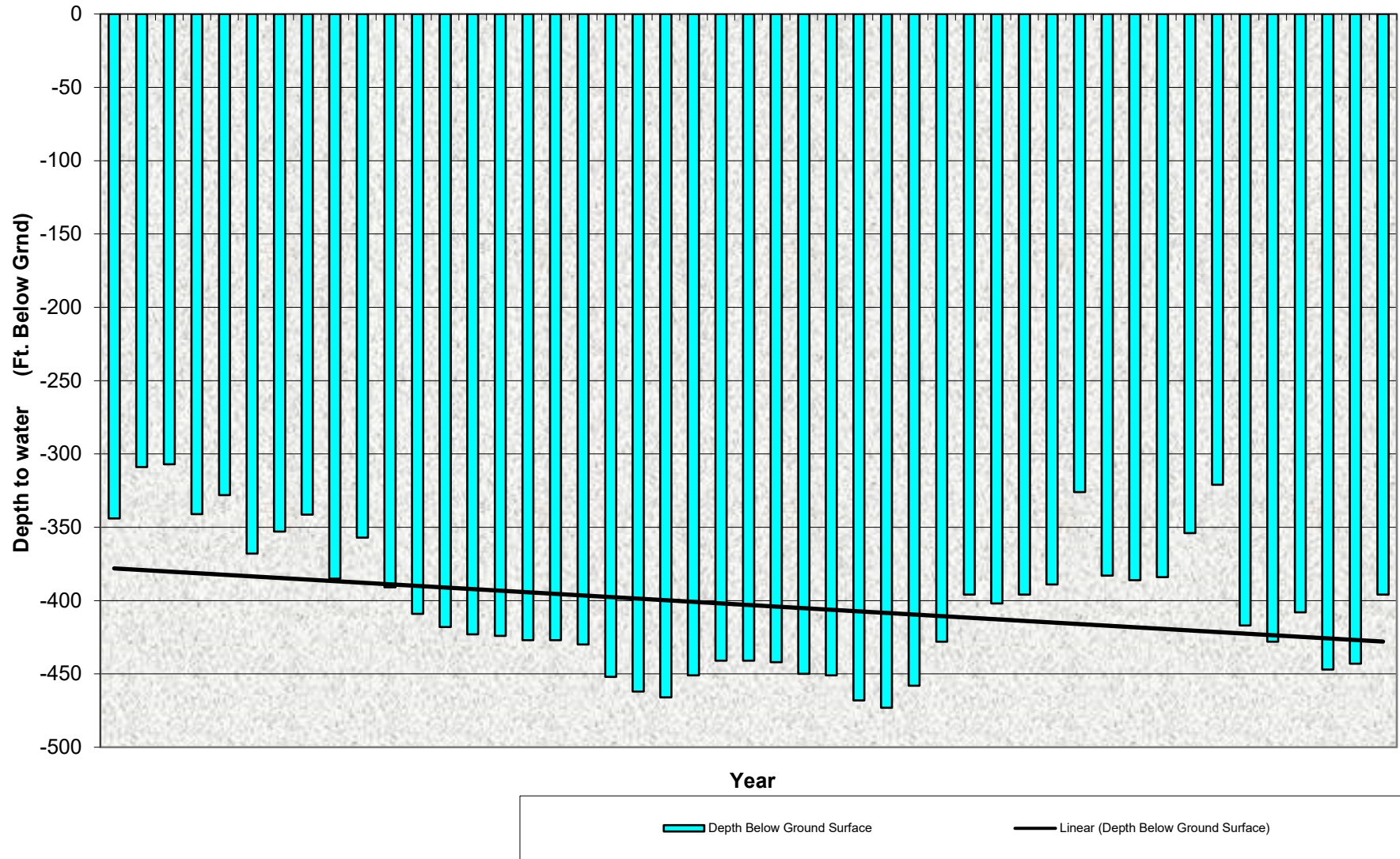
Note* 10/11/2019 pumping levels for wells 26 and 27A 416'

*Most static water levels s not available due to 2,3,24,31,32,16,26,27 all running during the quarter 2022

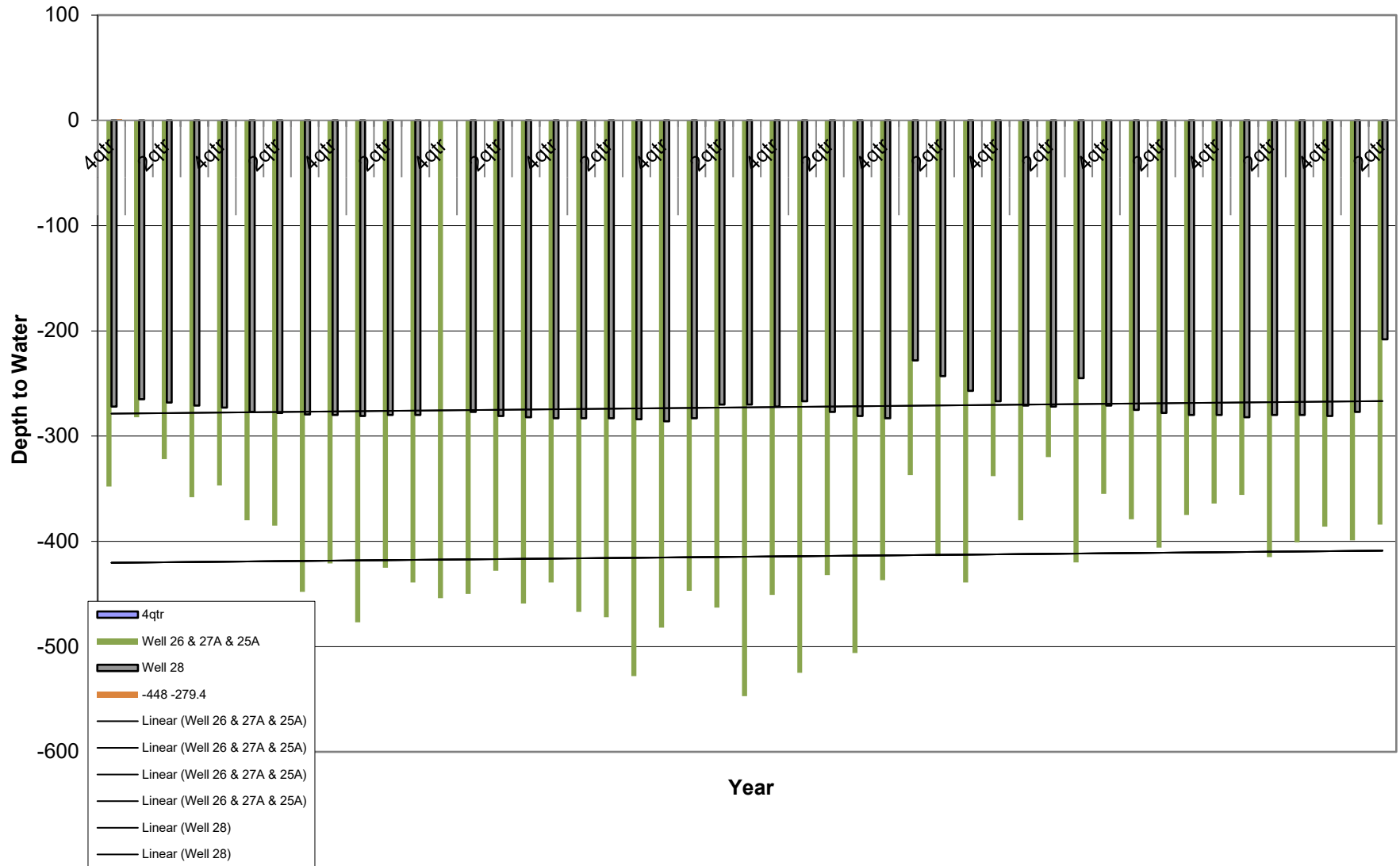
Cucamonga Basin Water Levels



Chino Basin Water Levels



Six Basins



Item Title: Conservation Programs Update

Purpose:

Update on the Company’s existing water conservation programs

I. Local Assistance in meeting Best Management Practices

Conservation rebates 2023: none

Residential Rebate Programs- (Fiscal year) thru Metropolitan Water Dist.	Devices/ Rebates	Est. gallons saved/ device/year	Total est. gallons saved per year*
High Efficiency Clothes Washers	0	11,243	
Rotating Nozzles	0		
Weather Based Irrigation Controllers	0	105,917	
High Efficiency Toilets (premium)	0	13,851	
Rain Barrels	0	619	
Turf Removal	0		
Residential Program thru Chino Basin Water Conservation District			
Landscape Audit		3485	
Total Savings for calendar year – n/a			

Funding is limited and rebates issued on first come, first served basis.

II. SAWCo Efforts in meeting Demand Mgmt. Measures (DMM’s) as of 5/31/2023

SAWCo Programs- (2022)	Total Budget: \$14,000	Devices/Rebates	Est. gallons saved per device per year	Total est. gallons saved per year
Toilet Direct Installation for SAWCO customers	\$2,000 Cost to date: 00.00	0	15,600	
SAWCo Wholesale Agencies Assistance-Toilet Direct installation	\$12,000 Cost to date: \$4917	11	15,600	171,600
TOTAL		11		171,600

July 18, 2023

	2023	2022	2021	2020	2019	2018
SAWCo Financial Assistance	\$00.00	\$662.70	\$ 4,551.00	\$9,198.53	\$31,782.54	\$8,474.70

Financial Assistance Program – Adjustments made when customer has requested in writing a reprieve on their bill after repairing leak(s).

Item Title: Well 19 Construction

Purpose:

To discuss a proposed Change Order Request and indemnity agreement for Well 19 Long-Screened Test Well Construction.

Issues:

Should the Company consider approving the Change Order and Authorize the General Manager to sign the indemnity agreement?

Manager's Recommendation:

Approve the Change Order and Authorize the General Manger to sign the Change Order. Authorize the General Manager to sign the indemnity agreement with Holliday Rock.

Background:

In April 2022 the Board approved a contract with Layne Christensen Company to construct a Long Screen Test Well in the Cucamonga Basin. Assuming everything goes well, we anticipate converting the test well into a new production well in 2024.

Since that time staff has been working with the contractor in preparation of material delivery. Long lead times for the Fiberglass casing has delayed construction for over a year. However, the material has been delivered and we are ready to begin construction.

Staff and the contractor have developed more detail regarding the construction of the test well. A physical location was established on Company property on the western side of the Cucamonga Creek Open Storm Channel. This site is staff's preferred location as opposed to the Company's property on the eastern side of the channel above Demens Trail Rest area. Locating the well on the western side of the channel will avoid the need to cross the County's storm channel with a delivery pipeline. However, the selected site presented additional complications for construction of the test well:

- Access is only available from 24th street as show on the attached map. Gaining access from the south would have required grading on MWD property at the end of 20th Street to allow the well drilling equipment clear access.
- Water availability for construction purposes also became problematic. Water is available at 20th Street, but temporary above-ground pipe must be rented to deliver it to the drill site.
- And the final consideration is not necessarily site specific. Staff is requesting the construction of temporary sound curtains along the eastern edge of our site to help dampen the sound that a drill rig will be making 24 hours a day for up to six weeks. The drill rig sound is low rumbling, louder than but not unlike a freeway.

At staff's request, the Contractor has prepared the attached Change Order Request to accommodate the three above issues. The total additional effort represents an increase of \$126,240 to the project, of which about half is related to the temporary sound curtain wall.

Additionally, but related, is the Company's need for additional space during construction. Staff has been working with Holliday Rock to secure the needed area as shown on the attached map. Holliday Rock is

Agenda Date: April 19, 2022

graciously willing to provide temporary access for the requested space. They have requested that the company sign an indemnity agreement. Our lawyers are drafting up a draft agreement for your consideration (Agreement to be provided under separate cover prior to the meeting) .

Previous Action:

Authorized a \$1,130,991 contract in April 2022 to construct a long-screened test well

Impact on Budget:

Change Order #1 in the amount of \$126,240

Original Project Budget for full development of a Production Well (not including delivery pipeline)	\$2,500,000
Original Long-Screen Test Well contract (To be converted into a production well in 2024)	\$1,130,991
Proposed CO#1	\$126,240
Proposed Long-Screen Test Well construction cost	\$1,257,231

Project Title: **Well Site 19**

Total Budget: **\$2,500,000**

Test Well: \$1,131,000

Production Well: \$1,500,000 (scheduled for 2024)

Schedule:

Test Well: Mar – Jun 2023

Location:



Justification: The 2008 Master Plan recommended a new well to meet supply requirements. Construct a new well at Site 19 was identified in the 2017 Master Plan as a high priority project.

Staff is proposing the design and construction of a pilot hole and full well design in 2023. The pilot hole is intended to provide hydrogeologic information regarding material and estimated yield of proposed production well.

CONSTRUCTION AGREEMENT
BETWEEN
SAN ANTONIO WATER COMPANY
AND
Layne Christensen Company (Layne)

THIS AGREEMENT (“Agreement”) is made this 20th day of April, 2022, by and between San Antonio Water Company, a California Corporation, located in Upland, California, hereafter referred to as (“Client”) and Layne Christensen Company, a Delaware Corporation, located in Redlands, California, hereafter referred to as (“Consultant”). This Agreement consists of the following terms and conditions, all exhibits and attachments, and any written and approved modifications hereto.

RECITALS

Whereas, Client requires Layne’s services for construction, development and testing of a Long Screen Test Well, and

Whereas, Client and Consultant desire to enter into a contract for the provision of such services subject to the terms and conditions of this Agreement.

Now therefore, in consideration of the promises and covenants hereinafter set forth, the parties hereto mutually agree as follows:

1. Scope of Services:

The scope of services to be provided by Consultant is as described in and attached hereto as Attachment “A” and entitled “Scope of Services.” The scope of services defines the specific work to be performed and the resulting work product(s) to be delivered. The corresponding schedule for performance of the work will be presented at the initial “kick off” meeting.

During the term of this Agreement, Client may request subsequent and related consulting services at its discretion. Such services to be performed by Consultant shall be stated in a separate “Letter of Authorization” setting forth the specific work to be performed, the resulting work product(s) to be delivered, the corresponding schedule for performance of the work, the compensation terms for the work to be performed, and signed by Client and Consultant. The provisions of this Agreement shall be incorporated into the Letter of Authorization by specific reference.

2. Services Charges:

Client agrees to pay for services provided by Consultant each month, as charges accrue and applicable invoices are received, in accordance with the Consultant’s current schedule of hourly rates, as defined in and attached hereto as Attachment “B.” Charges shall not exceed \$1,130,991 for the services and deliverables referenced in Attachment “A” or any subsequent and related Letter of Authorization without prior written approval by the Client and written concurrence by the Consultant. For other services, which may be requested by Client, compensation to Consultant shall be as mutually negotiated in writing between both parties and set forth in a Letter of Authorization. The Consultant’s current schedule of hourly rates would be the basis for negotiating such compensation. Any changes to the Consultant’s schedule of hourly rates must be submitted to

Client in written form prior to any negotiation for services to be billed at rate(s) other than those shown on Attachment "B".

3. Independent Contractor Status:

In performing its services under this Agreement, Consultant is an independent contractor to the Client. No other relationship exists between Consultant and Client. Consultant and Client also agree that Client has no contractual relationship with any Sub-Consultants who are engaged solely by Consultant to perform supporting services and who shall be in all respects the responsibility of Consultant.

4. Standard of Care:

Consultant's services shall be conducted, within the limits prescribed by this Agreement, in a manner consistent with that level of care and skill ordinarily exercised by members of the same professions currently practicing under similar conditions within the surrounding regional area of the State (the "Standard of Care"). No other guarantee, warranty, or representation, either express or implied, is included or intended herein or in proposals, contracts or reports. Client agrees to provide Consultant prompt written notice of any defect or suspected defect in its services.

5. Delays:

Neither the Client nor Consultant shall be liable for delays in or failures to perform services caused by circumstances beyond their reasonable control, including, but not limited to, acts of God, acts and/or omissions by federal, state and local government authorities and regulatory agencies, strikes, riots, civil unrest, war, lockouts, and accidents. For delays in providing services hereunder, resulting from actions or in actions of Client or third parties, Consultant shall be given an appropriate time extension and shall be compensated for those delay related costs of labor, equipment and other direct costs incurred by Consultant and caused by circumstances beyond Consultant's control.

Client acknowledges that delays related to processing of properly and fully completed permit applications, the subsequent approval of permits or required reviews by governmental agencies are beyond the direct control of Consultant. However, Consultant agrees to diligently pursue any such required reviews and approvals for any item(s) of work within Consultant's scope of services, but makes no warranties and Client waives any claims against Consultant relating to the timeliness or the success of approvals of permit applications or required agency reviews which are properly and fully prepared and pursued under this Agreement.

6. Breach of Agreement:

If the Consultant defaults in the performance of any of the terms or conditions of this Agreement, It shall have ten (10) calendar days after receipt of written notice of such default in which to cure the default by rendering a satisfactory performance. If Consultant fails to cure the default within the specified time, the Client shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled.

7. Termination/Suspension of Services:

Either party may terminate or suspend this Agreement at any time upon fifteen- (15) calendar day's written notice. Upon termination or suspension, the Client shall compensate Consultant for all authorized services performed up to the date of termination or suspension plus any costs for materials orders places prior to the termination that Consultant cannot cancel with reasonable diligence. Said compensation shall include payment for completed tasks and payment of applicable hourly rates as indicated in Attachment "B" for all uncompleted tasks. Payment will be made within thirty calendar days of receipt of an invoice for all authorized services performed and all expenses

directly attributable thereto, including, but not limited to, any previously acknowledged cancellation charges by Sub-Consultants and/or contractors, if any. In the event that the period of Client initiated suspension exceeds sixty calendar days; the Consultant's fee shall be equitably adjusted by mutual agreement prior to the resumption of services.

8. Notice:

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing same in any United States Post Office, registered or certified, postage prepaid, addressed to:

San Antonio Water Company
139 No. Euclid Avenue
Upland, CA. 91786
(909) 982-4107 // Fax (909) 920-3047

Layne Christensen Company
1717 W Park Av
Redlands, CA 92373
805.896.6426

9. Ownership of Documents:

Unless expressly agreed otherwise, upon payment of all outstanding invoices owing to Consultant pursuant to the terms of this Agreement, Client shall become the owner of all final documents, including, but not limited to, reports, investigations, written analysis, plans and specifications and opinions of cost generated by Consultant within the scope of services. Consultant is the owner of all other documents, including, but not limited to, all proposals, draft documents and other written communications generated within the scope of services. Consultant may retain copies of all final documents owned by Client. However, any reuse of the final documents by the Client for other than their specific intended purpose shall be at the sole risk of the Client and without liability or legal exposure to the Consultant.

Except as provided in Section 10, "Confidentiality", Consultant agrees that all project documents shall not be made available to any individual or organization, private or public, without the prior written consent of the Client.

10. Confidentiality:

For a period of two years following the completion of Consultant's work under this Agreement, Consultant and Client shall hold confidential all business or technical information obtained from the other or its affiliates under this Agreement and shall not disclose such information without the other's written consent except to the extent required for (1) performance of services under this Agreement; (2) compliance with professional standards of conduct for preservation of the public safety, health and welfare; (3) compliance with any court order or other legitimate governmental directive; and/or (4) protection of the disclosing party against claims or liabilities arising from performance of services under this Agreement. The parties' obligations hereunder shall not apply to information in the public domain or information lawfully acquired on a non-confidential basis from others.

11. Insurance:

Consultant agrees to maintain Comprehensive General Liability, Automobile Liability plus Errors and Omissions policies against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the services hereunder by the Consultant, its officers, employees, agents, invitees and subcontractors. An insurer admitted to conduct business in the State with an A.M. Best & Co. rating of at least B+7 must issue these policies. Insurance endorsements shall be furnished to the Client within seven (7) days following the execution of this Agreement by both parties. Notwithstanding any inconsistent statement in the policy or any

subsequent endorsement attached thereto, the protection offered by the Liability policy shall name the Client, its officers, directors, employees, and agents as additionally insured.

The Consultant shall maintain the following limits of liability:

- General Liability: \$1,000,000 per occurrence for bodily injury, personal injury, and property damage.
- Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
- Errors and Omissions: \$ 1,000,000 in the aggregate.

The Client, its officers, directors, employees and agents shall not be responsible for any claims in law or equity occasioned by failure of the Consultant to comply with Section 3700 of the State Labor Code. By execution of this Agreement, the Consultant certifies to the following:

“I am aware of and will comply with Section 3700 of the State Labor Code which requires every qualifying employer to be insured against liability of Workers’ Compensation or to undertake self-insurance before commencing any services hereunder.”

For any claims related to this Agreement, the Consultant’s insurance coverage, as evidenced by an endorsement to its policy, shall be primary insurance as respects the Client, its officers, directors, employees, and agents. Any insurance or self-insurance maintained by the Client, its officers, directors, employees, and agents shall be excess of the Consultant’s insurance.

All such insurance shall bear an endorsement or shall have attached a rider whereby it is provided that, in the event of expiration or proposed cancellation of such policy, the Client shall be notified by registered mail, postage prepaid, return receipt requested, not less than thirty (30) calendar days before expiration or cancellation is to become effective.

12. Limitation of Liability:

- A. Neither the Client nor Consultant shall be liable for indirect or consequential damages, incurred by either or by their subsidiaries or successors except as stated in Section 13A, applicable to Consultant.
- B. In addition to the limitations provided in Section 12A and notwithstanding any other provision herein, Consultant’s liability shall be limited to bodily injury/death, property damage and economic loss (hereinafter collectively referred to as “Loss”) caused by the negligence of Consultant, its officers, employees, agents, invitees, and subcontractors hereunder.

13. Indemnity:

- A. Consultant agrees to indemnify, and hold harmless (but, for claims alleging professional liability, shall not defend) Client, its officers, directors and employees, to the fullest extent permitted by law from and against any and all actual or alleged loss, cost, damage, expense and liability (including reasonable attorneys’ fees and other costs of defense (as limited above) and/or settlement), for bodily injury/death, property damage and economic loss arising out of third party tort claims to the extent caused by the negligent acts, errors or omissions or the willful misconduct of Consultant, its officers, employees, agents, invitees or subcontractors in the performance of services rendered under this Agreement.
- B. Client agrees to indemnify and hold harmless (but, for claims alleging professional liability, shall not defend) Consultant, its officers, employees, agents, invitees, and subcontractors to the fullest

extent permitted by law from and against any and all actual or alleged loss, cost, damage, expense and liability (including reasonable attorneys' fees and other costs of defense (as limited above)and/or settlement), for bodily injury/death, property damage and economic loss arising out of third party tort claims to the extent caused by the negligent acts, errors or omissions or the willful misconduct of Client, its officers, directors, employees, and agents, contractors or subcontractors in matters relative to this Agreement.

14. Right of Entry and Property Responsibility:

Client shall grant, or cause to be granted at Client's expense, free access to any property upon which services are to be performed. The Client shall notify the owners and possessors of such property, whether they are lawfully or unlawfully in possession, that Client has granted Consultant free access to such property. Client shall secure permission and any permits necessary to allow Consultant free access to such property at no charge to Consultant unless otherwise specifically agreed to in writing.

Consultant shall be responsible for its own activities at the property including the safety of its employees, subcontractors, agents and invitees, but shall not assume control of or responsibility for the property.

15. Severability:

Any provisions of this Agreement held in violation of any law or ordinance shall be deemed stricken and all remaining provisions shall continue valid and binding upon the parties. Client and Consultant shall attempt, in good faith, to replace any invalid or unenforceable provisions of this Agreement with provisions which are valid and enforceable, and which come as close as possible to expressing the intention of the original provisions.

16. Assignments and Third-Party Beneficiaries:

This Agreement and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that no assignment of this Agreement shall be made without written consent of the parties to this Agreement. Any attempt by Consultant to assign or otherwise transfer any interest in this Agreement without the prior written consent of the Client shall be void.

This Agreement shall not create any rights or benefits in any person or entity other than Client and Consultant, nor is it intended to create any third-party beneficiaries to it.

17. Governing Law and Remedies:

Unless otherwise provided, this Agreement shall be performed and construed under the laws of the State of California without regard to that State's conflict of laws provision. In the event of any claim, dispute or other matter in question between the parties, Client and Consultant agree to submit the matter to binding arbitration in accordance with the then-existing rules of the American Arbitration Association. Arbitration shall be held in westerly San Bernardino County, California unless otherwise agreed to by the parties hereto. Before the invocation of such arbitration, or promptly after the invocation of such arbitration, if such invocation is reasonably needed to protect either party against the running of a statute of limitations or similar defense, the parties shall meet to discuss, in good faith, the possible resolution of the matter without formal proceeding. Either party may ask for the use of non-binding mediation with a third party or other alternative dispute resolution procedures, which shall be pursued in good faith until either party determines them to be unlikely to produce a resolution.

18. Attorneys' Fees:

In the event of mediation, arbitration or litigation between Client and Consultant arising out of the Agreement, each party shall be entitled to all reasonable costs and attorneys' fees to the extent that party prevails.

19. Miscellaneous:

Consultant shall have no responsibility for any site condition unless it was ascertainable through a visual pre-bid examination of the project site or disclosed in writing to Consultant prior to the execution of this Agreement or any Letter of Authorization and shall be entitled to an equitable adjustment to the price for Consultant's services and time for performance if Consultant encounters differing site conditions.

The signatories to this Agreement represent that they have the authority to execute this Agreement on behalf of the parties first named above.

San Antonio Water Company:

Brian C. Lee

Brian C. Lee
General Manager/CEO

June 28, 2022

Date

Layne Christensen Company:

Kent M. Wartick

Kent M. Wartick
Vice President and Division Manager
Water Resources Division

July 1, 2022

Date



CONTRACTOR RESPONSE TO REQUEST FOR PROPOSAL

SAN ANTONIO WATER COMPANY



Long Screen Test Well

Drilling, Installation, and Testing of (1) Long
Screen Test Well



February 21st, 2022

Brian Lee
General Manager
San Antonio Water Company
139 N. Euclid Ave
Upland, CA 91786



Re: Long Screen Test Well
Drilling, Installation, and Testing of (1) Long Screen Test Well

Thank you for considering Layne Christensen Company as a candidate for the Long Screen Test Well project. We are excited about the opportunity to provide San Antonio Water Company with the background and evidence to prove why Layne Christensen Company is the partner of choice for this great project.

Our team members have had the pleasure of working with the San Antonio Water Company team in the past and appreciate the opportunity to provide our services on this upcoming project. This is an opportunity that our team does not take lightly. Throughout this proposal we have worked diligently to prove not only our experience as a company for this project, but also, and most importantly, our experience as a team and a reputable group of extraordinary professionals.

Through our prior experience we hope that we have been able to prove to you that we are the team that you can trust. Through every step of the way, our group of industry-leading professionals will provide transparency and partnership so that your team will always feel that they are receiving the best cost, quality, schedule, and safety for your construction dollar. Through our project experience you can rest assured that our staff will always utilize the best practices of the industry to ensure a quality project is being delivered with a best value approach every step of the way.

The Layne Christensen Company team appreciates the opportunity to expand on our qualifications to San Antonio Water Company, and we look forward to further discussing the experience and value we can bring to your project.

Sincerely,

Account Manager
Water Resources Division
Ricky.Trujillo@gcinc.com

Division Business Development Manager
Water Resources Division
Timothy.Oman@gcinc.com



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Section 01 | General Company Information



Established in 1882, Layne offers a rich history of delivering safe, professional, and reliable water solutions throughout North America.

Layne began as a domestic water-well drilling company in South Dakota. From those humble roots Layne has evolved into a national water and minerals solutions provider serving both public and private sectors. In June 2018, Layne became a wholly owned subsidiary of Granite Construction, Inc. Layne is headquartered in the Woodlands, Texas and has 24 offices from upstate New York to Southern California.

Water users look to Layne when they are seeking a trusted partner that will consistently deliver projects safely, on time, on budget, and as promised. Layne's full circle of water solutions provide clients a single point of accountability for even the most complex projects. With 138 years of experience, Layne has earned a reputation for minimizing risk while maximizing peace of mind through operational excellence and client satisfaction.

The water resources division is the national leader in water wells. Layne has drilled nearly 1,000 wells in the past 5 years alone, with a combined pumping capacity of 1 billion gallons per day. In Layne's 130+ year history, we have successfully completed more than 50,000 water wells. As a trusted partner in pump design and maintenance services, our team provides capabilities to optimize our customers pump assets. Our team is largely comprised of veteran employees providing exceptional service that renders success to each client by increasing production, improving efficiency, and reducing cost.

Layne is uniquely qualified to safely complete the work under this contact per the required expectations of San Antonio Water Company.

Corporate Resources

LANYE, A GRANITE COMPANY

GRANITE
IS
AMERICA'S
INFRASTRUCTURE
COMPANY™

Granite Construction Incorporated offers a national workforce of 7,200 and a combined revenue of \$3.6 billion annually. As an industry leader in the transportation, water resources and mineral exploration markets throughout North America, Granite provides infrastructure solutions for construction, program management, alternative procurement, and is a vertically integrated contractor with aggregate materials reserves throughout the U.S.

RECENT ACCOLADES:

- 2019, Named to World's Most Ethical Companies List for ten consecutive years
- 2018, Forbes Magazine, one of America's Best Mid-Size Employers
- 2018, Engineering News Record (ENR) Magazine Top 400 Contractors List - Ranked #24
- 2018, ENR Sourcebook, #1 Highways, #5 Mining, #6 Solar, #7 Bridges, #10 Dams/Reservoirs, #16 Airports, #17 Mass Transit/ Rail, #21 Power

SAFETY BY CHOICE

The protection of our employees, the public and the environment is at the core of everything we do. Safety is more than a business commitment—it's our moral obligation.

MARKETS

Granite specializes in complex infrastructure projects for transportation, industrial and specialty markets.

SERVICES

General Contracting, Construction Management, Design-Build, CMAR, CM/GC, Pavement Preservation, Disaster & Emergency Response, and Construction Materials Testing.

NATIONAL WORKFORCE

7,200 employees

HEADQUARTERS

Established in 1922, Corporate Headquarters located on 585 West Beach St., Watsonville, CA 95076. Phone (831)724-1011

STOCK MARKET/TRADING SYMBOL

New York Stock Exchange (NYSE: GVA) and is part of the S&P MidCap 400 Index, the MSCI KLD 400 Social Index and the Russell 2000 Index.

OFFICE LOCATIONS

Granite and its subsidiaries operate over 75 office locations throughout the United States, Canada, Mexico, and South America.

EQUIPMENT FLEET

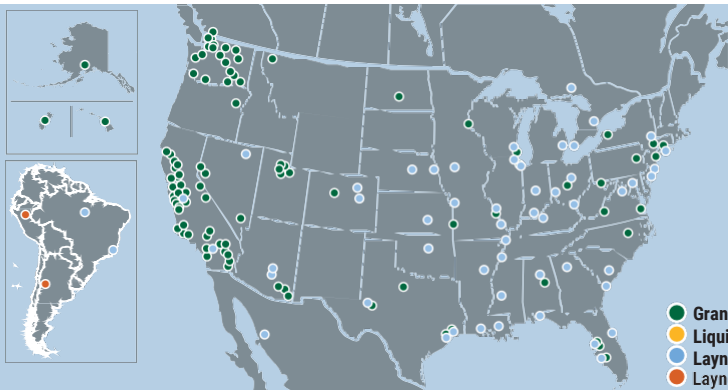
Granite's equipment fleet exceeds \$650 Million and includes more than 1,500 pieces of heavy equipment and 3,500 trucks, trailers, and vehicles.

CONSTRUCTION MATERIALS

Granite operates 50 aggregate facilities throughout the west, producing specialty aggregates, sand/gravel, and asphalt concrete.

ANNUAL REVENUE & BONDING CAPACITY

\$3.4 billion annual revenue
\$5 billion aggregate bonding capacity

**LAYNE CORPORATE COMMITMENT**

Layne's senior management teams support the effort to secure and complete this project work. Senior management has provided its support in committing company-wide resources to successfully complete this project.



GRANITE



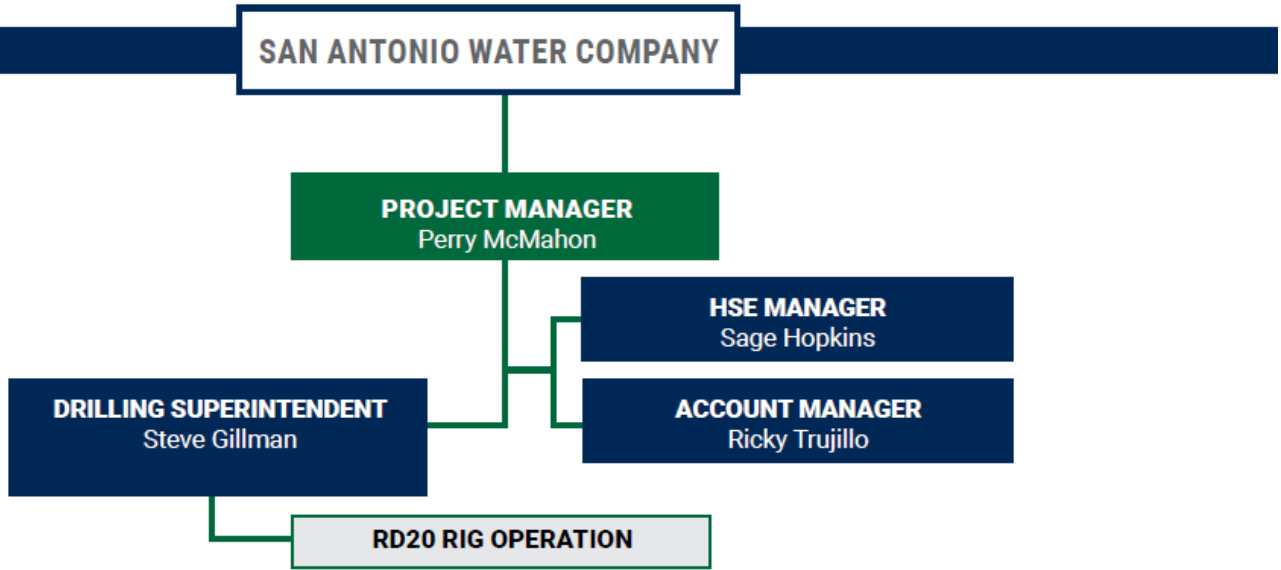
GRANITE INDUSTRIAL, INC.
A GRANITE COMPANY



inliner

TESTING LABORATORIES

Section 02 | Proposed Management Personnel



Resumes for all key personnel will be provided upon request

Section 03 | Proposed Project Implementation

Management Plan and Strategy

The foundation of Layne's project execution is open, honest, and daily communication. Our Operator, Project Manager, and Operations Manager communicate daily. Layne's field crews are provided with a detailed job letter that explains the entire scope of work, completion schedule, major material items deliveries, and the use of subcontractors required to successfully carry out the timely completion of our work.

Our operator will communicate daily with your field representative the status of the work and discuss critical path items that will need coordination between our two companies. Our project manager and field operations manager will communicate with your office project manager frequently to ensure project objectives are being completed as specified.

Our pre-mobilization activities will consist of the following:

- Project scheduling and material ordering will commence once the written contract for the project is executed.
- Utility locates will be initiated as required.
- Obtain any required work permits.
- Ensure field crews have proper training
- Ensure all field equipment has been inspected and readied for field work
- Project submittals will be provided as required. Provide SDS for all chemical products brought onto the site.
- Layne will develop the field performance plan, site-specific health and safety plan, quality assurance/quality control plan and activity hazard analysis.
- A pre-mobilization conference will be completed in advance of mobilization to confirm and verify project completion parameters.
- Following the pre-mobilization conference, Layne will mobilize our equipment, tooling, personnel, and materials to the job site.

Once fieldwork begins, Layne will perform the following items:

- Daily equipment inspections
- Daily tailgate safety meetings before the beginning of each work shift
- Daily communication with the on-site field representative
- Daily field report completed and signed by the on-site field representative
- Daily review of qa/qc compliance with all field efforts
- Daily "look ahead" of upcoming work and complete pre-planning objectives
- Our on-site field project manager will attend all meetings as require

There will be occasions when our plans and procedures will have to be modified to meet unanticipated conditions, weather conditions, or other unforeseen external factors. These changes will be documented and discussed with your firm as required.

Project Scope

Scope of work includes the following:

Mobilization/Demobilization of RD20 drill rig and support equipment

Installation of a 36 inch conductor casing to 50 ft. below ground surface

Drilling of 14 ¾ inch flooded reverse circulation test hole to a depth of 1,200 ft. below ground surface

Optional Item (If needed, not included in current bid total) – Installation of 24 inch conductor casing up to 300 ft

Geophysical Logging

Wiper run to clean out borehole

Installation of 6 inch fiberglass blank (600 ft) and screen (600 ft)

Installation of gravel pack to surface from 1200 ft with (4) 15 ft bentonite seals and 5 ft sand transitions

Disposal of drilling fluids off site up to 13,500 gallons

Rental of 3 21,000 gallon settling tanks for up to 60 days

- 20 hours of initial airlift development with PFD
- Mobilization/Demobilization of pump rig and support equipment
- Installation/Removal of packer and 4" submersible pump
- Securing well head and cleanup of site
- Besst profiling, workplan, site management, and report preparation

Section 04 | Work Schedule

Project Schedule

With our current backlog we would anticipate a start date in June 2022 and would anticipate a timeline of roughly 50 days to complete the proposed scope of work. This is subject to the penetration rate encountered which could impact or improve the days estimated for completion.

Please note: Schedule is tentative to availability at the time notice to proceed is issued.

Section 05 | Safety, Health, and Environmental Plan

Contractors Health, Safety, and Environmental Standards, Policies, and Procedures

Layne considers safety as our number one priority on this project. Layne safety performance standards meet and often exceed compliance with federal, state, and local laws and regulations. As a result of this culture, Layne's safety record has outpaced industry averages because we know that safer employees, contractors, and work environments result in more effective operations. Layne believes that all accidents are preventable, so we continue to work towards the goal of 100% safe working hours.

Layne's employee commitment to HSE is as stated below:

- I will take ownership of safety for myself and those around me.
- I will respect the communities I work in and always be a role model for safe behavior.
- I will assess the risks involved in every task before I begin.
- I will properly inspect, maintain, and operate all vehicles, tools, and equipment.
- I will exercise STOP WORK where I perceive a situation to be unsafe or otherwise have concerns about safety.

At Layne, we have the following expectations of each other:

- We expect that every employee is committed to ZERO incident operations and performing work safely or not at all.
- We expect that employees will follow and hold your co-workers accountable for following all of our safety policies and wearing/using all of the required PPE.
- We expect that employees will report all incidents (injury, illness, property damage, environmental or vehicle) so that we can ensure that we do a thorough incident investigation and prevent reoccurrence.
- We expect that employees will not text and drive and use a hands-free device when talking on a cell phone.
- We expect that employees will do a JSA before each task (at a minimum once per shift for each task)
- We expect that employees will operate and maintain all vehicles, tools, and equipment as if it were your own
- We expect that if an employee see something that does not look or feel right, they will say something.

To carry out a safe work environment, Layne will implement the following improvement cycle:

1. **Plan:** Plan the work so that all crew members are protected and know what needs to be done.
 - Participate and follow the daily Take 5 plan
 - Be active in protecting oneself, others, the public and the environment
 - Participate in safety processes
 - Stop and ask for guidance if you do not understand or have any doubts about a how to do something
 - Set a plan in motion and stick to the plan
 - Follow safe work practices
 - Don't deviate from your supervisors Take 5 without approval and a new plan
 - Assess hazards continuously throughout the shift
 - Maintain good housekeeping and organization
 - Request training or guidance
 - Report Near Misses
 - Set a good example
2. **Check:** Make sure the plan is the right plan
 - Conduct observations and planned inspections
 - Speak up when an unsafe act or condition is noticed
 - Don't walk by something that is wrong
 - Evaluate the tasks recorded in the Take 5 and note any confusion or additional direction needed
 - Ask for feedback from the crew
3. **Adjust:** Use the information you get from checking. Continue the same path or adjust the plan.
 - Employees notify your supervisor of unsafe work conditions that exist OR that you THINK might exist so the plan can be adjusted
 - Supervisors use your observations and inspections to improve the plan

If required, Layne's HSE department can deliver in-house safety training to any team member requiring it that covers all phases of the health and safety field and it is compliant with the most up-to-date OSHA, MSHA, and DOT regulations.

On the job site, all Layne field employees will possess the necessary personal protective equipment and detailed, site-specific safety information that covers issues including confined space entry, blow out preventers, environmental health and safety plans, and on-site monitoring. Every Layne field employee has Stop Work Authority because every employee is responsible for safety. Layne has a comprehensive, industry-leading health and safety program, which can be viewed at www.graniteconstruction.com/company/safety-choice. All Layne field employees have access to this data in the development and implementation of site-specific health and safety plans.

Our safety program is composed of, but not limited to, the following:

- Supervisor’s Accident Prevention Manual
- Safety Practices Manual
- Hazard Communication Manual
- Fleet Manual
- Emergency Response Plans
- Site Specific Health and Safety Plan Auditing Forms
- Procedures Mentoring Program

All Layne field employees tasked with project execution have OSHA construction site training (forklifts, backhoes, manlifts, and cranes). Most of the Layne field employees have Red Cross First Aid and CPR training. As required, training compliance documentation can be provided prior to project mobilization.

Our standard personal protective equipment for each field employee is as follows: hard hats per ANSI Z89.1-1997, safety glasses with side protection per ANSI Z87.1-1989, steel toed boots per ASTM F2413-11, high visibility vest or shirt per ANSI/ISEA 107-2010, hearing protection and appropriate work gloves. While working in a high dust environment, employees are required to wear dust masks. All company vehicles come equipped with a working-Class A/B/C fire extinguisher, first aid kits, and have current proof of insurance and vehicle registration.

Layne is committed to working diligently and safely on this project. A site-specific health and safety plan will be prepared and administered while on site. Layne will practice a behavioral-based safety program that utilizes a hazard identification risk assessment. Each work shift will begin with a tailgate safety meeting. The crew will review the expected field operations each day and determine what the potential risks are in performing that work. The crew will then review and implement safe work practices to eliminate and/or reduce the risk of a safety incident. All our crews are expected to work in the “green” (safe) zone and to not take any risks with respect to performing their work. All field employees and site visitors have the ability to stop work if they feel there is a safety risk associated with performing the work.

Layne’s field crews will be supported by Layne’s corporate health and safety program should the need arise. As needed, Layne can provide a regional health and safety coordinator on site for portions of this project to review and ensure safety compliance.

Contractors Health, Safety, and Environmental Records

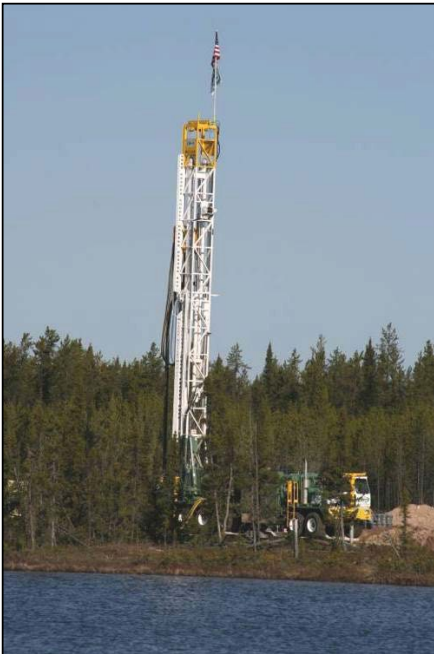
3 year history (2019-2021)

Layne Christensen Company	2019	2020	2021
	Man Hours	1,852,578	1,311,210
Days: Lost Time	191	241	0
Days: Restricted Duty	183	214	360
Deaths	0	0	1
Lost Time Cases	2	4	0
Restricted Cases	6	1	5
Medical Cases (Other Recordable Cases)	4	5	3
Total OSHA Recordable Cases	12	10	9
OSHA Recordable Incident Rate	1.30	1.53	1.20
Lost Time Incident Rate	0.22	0.61	0.00
Average Number of Employees	890	630	724
DART RATE (Days Away Restricted Time)	0.9	0.76	0.66

Section 06 | Equipment

**LAYNE, A GRANITE COMPANY**5810 East 77th Avenue, Commerce City, CO 80022

Phone: (303) 755-1281 + Fax: (303) 755-1236

RIG SPECIFICATION SHEET: ATLAS COPCO RD20-III**RIG MOUNTING:**

Heavy duty 5-axle crane carrier with 281-inch wheelbase, 90,000 lb. GVWR, Full power Tridem rear axles

RIG POWER:Caterpillar C13 380 HP diesel engine
Fuller RTO-14908LL transmission: 10 speeds forward, 3 speeds reverse**RIG DECK POWER:**Deck mounted Cummins QSK-19C, 755 HP diesel engine
w/ silencer muffler
2 fuel tanks-335 gallons total fuel storage**AIR COMPRESSOR:**

Ingersoll-Rand air compressor, 1,250 CFM x 120 PSI to 350 PSI

DERRICK:Dimensions 61'-11-1/2" Length x 48-1/2" Wide x 41" Deep
51'-7" feet vertical working space between spindle-table
Pull back: 120,000 lbs. - Pull down: 30,000 lbs.**TOP HEAD TRAVEL SPEED AND PERFORMANCE:**Drill feed rate: 29 feet per minute
Fast feed up (regen. on): 106 ft. /min; Fast feed up (regen. off): 72 ft. /min
Fast feed down: 180 feet per minute
Head rotation speed 0 to 120 RPM
Drilling torque 8,000 ft-lb @ 120 RPM, floating spindle**MAIN HOIST AND JIB BOOM: 7,500 LB., HYD POWERED CASING**hoist winch-operating line speed up to 225 ft./min
4,000 lb. Hydraulic jib hoist and boom-operating line speed up to 106ft./min**CONTROL PANEL:**

Hydraulic control panel with aluminum protective cover

HYDRAULIC LEVELING JACKS:4-1/4" front stabilization jack – one (1) 48" stroke
4-1/4" front main leveling jacks – two (2) 48" stroke
5" rear main leveling jacks – two (2) 48" stroke**RIG TRAVEL DIMENSIONS:**Overall height (derrick up position) = 62'- 6";
Overall height (derrick down position) = 13'- 10"
Overall width = 8'- 4"; overall weight dry (approx.) = 88,000lbs.**DRILLING CAPABILITIES:**

Conventional air/mud rotary, dual tube rotary (4.5", 5.5", 7"), flooded reverse, casing advance, spot coring

MISCELLANEOUS ITEMS:

3" mud manifold with hydraulic valve; 3" air booster piping up to 1,500 PSI with auxiliary and booster compressor connections; single rod loader with a loader pod for 5-1/2" drill collars; 35 GPM water injection pump; 60 gallon DHD oiler; tattle-tale head indicator; dual tube reverse air rotary drilling tools available; automatic rod handler

Specification will vary by specific drilling rig unit number

Section 07 | Cost Estimate

Bid Item	Description	Bid Quantity	Unit	Bid Price	Bid Total
1	36-IN CONDUCTOR & SEAL	50	LF	1,175.00	58,750.00
2	MOB & RIG UP RD20	1	LS	179,874.00	179,874.00
3	14-3/4-IN FLOODED RC TEST HOLE TO 1,200-FT	1,150	LF	126.00	144,900.00
4	GEOPHYSICAL LOGGING	1	LS	14,190.00	14,190.00
5	24-IN CONDUCTOR CASING (IF NEEDED; NOT INCLUDED)	300	LF	575.00	
6	CLEANOUT BOREHOLE TO 1,200-FT	30	HR	660.00	19,800.00
7	F&I 6-IN FIBERGLASS BLANK	600	LF	118.00	70,800.00
8	F&I 6-IN FIBERGLASS SCREEN	600	LF	133.00	79,800.00
9	F&I GRAVEL FILTER PACK	1,120	LF	28.00	31,360.00
10	15-FT INT BENTONITE SEALS & 5-FT SAND TRANSITIONS	4	EA	2,430.00	9,720.00
11	PROFILE, TRANSPORT, DISPOSE OF DRILLING FLUIDS	13,500	GAL	1.74	23,490.00
12	3-EA 21K-GAL SETTLING TANKS	60	DY	234.00	14,040.00
13	INITIAL AIRLIFT DEVELOPMENT W/ PFD	20	HR	1,015.00	20,300.00
14	RIG DOWN AND DEMOBILIZE	1	LS	179,874.00	179,874.00
15	MOBILIZE PUMP RIG & CREW	1	LS	7,580.00	7,580.00
16	F&I PACKER AND 4-IN SUB PUMP	1,200	LF	35.00	42,000.00
17	BESST DYE INJECTION AND TRACING	1	LS	73,333.00	73,333.00
18	BESST WORKPLAN AND SITE MANAGEMENT	1	LS	86,666.00	86,666.00
19	BESST REPORT PREP	1	LS	13,334.00	13,334.00
20	PACKER PUMP TESTING & SAMPLING	80	HR	490.00	39,200.00
21	REMOVE PACKER AND 4-IN SUB PUMP	600	LF	24.00	14,400.00
22	SECURE WELL HEAD, CLEANUP, DEMOB	1	LS	7,580.00	7,580.00
	TOTALS				1,130,991.00

Section 08 | Certificate of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/21/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER LIC #0C36861 Alliant Insurance Services, Inc. 100 Pine Street, 11th Floor San Francisco, CA 94111	1-415-403-1491	CONTACT NAME: Kimberly Leikam PHONE (A/C, No, Ext): 415-403-1491 E-MAIL: kleikam@alliant.com ADDRESS:	FAX (A/C, No): 415-874-4818
INSURED Layne Christensen Company 585 West Beach Street Watsonville, CA 95076	INSURER(S) AFFORDING COVERAGE		
	INSURER A: VALLEY FORGE INS CO	NAIC # 20508	
	INSURER B: CONTINENTAL CAS CO	20443	
	INSURER C: TRANSPORTATION INS CO	20494	
	INSURER D: AGCS MARINE INS CO	22837	
	INSURER E:		
	INSURER F:		

COVERAGES CERTIFICATE NUMBER: 63270912 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:			GL2074978689	10/01/20	10/01/23	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000 MED EXP (Any one person) \$ Nil PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY OTHER:			BUA2074978692	10/01/20	10/01/23	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			CUE2068209453	10/01/21	10/01/22	EACH OCCURRENCE \$ 8,000,000 AGGREGATE \$ 8,000,000 \$
A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC274978630 (CA)	10/01/21	10/01/22	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 2,000,000 E.L. DISEASE - EA EMPLOYEE \$ 2,000,000 E.L. DISEASE - POLICY LIMIT \$ 2,000,000
C	<input checked="" type="checkbox"/> Owned, Leased/Rented Eqpt			WC274978644 (AOS/StopGap)	10/01/21	10/01/22	Limit
D				WC274978661 (MT, WI, HI)	10/01/21	10/01/22	Per Occurrence
				MXI93059745	07/01/20	07/01/22	2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 EVIDENCE OF INSURANCE FOR BIDDING, PRE-QUALIFICATION AND COMPLIANCE PURPOSES GL Per ISO Form CG0001 10/01; AL Per ISO Form CA0001 10/13

CERTIFICATE HOLDER 5553 FOR INFORMATION ONLY 585 West Beach Street Watsonville, CA 95076 USA	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	--

ACORD 25 (2016/03)
 kaleikam
 63270912

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SUPPLEMENT TO CERTIFICATE OF INSURANCE

DATE
09/21/2021

NAME OF INSURED: Layne Christensen Company

The named insured reserves its rights to provide any additional coverages under the policies above to only those expressly negotiated for by contract.

SUPP (10/00)

Section 09 | Contractor's License Copy



Section 10 | Clarifications

1. This proposal is subject to mutual agreement on the contract terms and conditions. Layne Standard Terms and Conditions Attached.
2. Applicable Taxes are included
3. Bonds are not required
4. Prevailing Wage Rates are not required or included
5. Sound walls and noise mitigation are not included
6. Contractor will operate on a 24 hours per day, 7 days per week schedule as necessary
7. Client provides adequate ingress and egress to each site for all equipment needed
8. Client provides approximately 120-ft x 120-ft clear and level drill pads for each site
9. Client provides adequate and legal locations for discharging all drill cuttings and well development/testing fluid within 300ft of the well site.
 - a. Offsite drilling fluids disposal is included
 - b. 3-ea 21K-gal tanks are included to settle solids of well development testing fluid
 - c. No discharge treatment beyond this is included, any turbidity/TSS/TDS/etc. limitations are the responsibility of the Client and additional onsite Contractor time is subject to a standby rate of \$240/hr
10. Client provides constant 200-gpm minimum water supply (meter and backflow prevention if needed) within 300-ft of the drill site
11. Lost Circulation clause applies:
 - a. In the event subsurface and/or geologic conditions affect a lost of circulation and/or an adequate fluid level in the borehole cannot be maintained for at least two consecutive hours, the client will be notified, and drilling operations will revert to contractor's hourly rate of \$640/hr and material at cost plus 15% mark-up. When circulation is resumed and maintained for at least two consecutive hours, the drilling operation will revert to the footage rate
12. Hard formation/Slow Penetration clause applies:
 - a. In the event subsurface and/or geologic conditions slow the drilling rate below six feet per hour for at least two consecutive hours, the client will be notified, and drilling operations will revert to contractor's hourly rate of \$640/hr. If the drilling rate moves above six feet per hour and maintained for at least two consecutive hours, the drilling operation will revert to the footage rate
13. Geophysical Logging will be performed by Pacific Surveys and is limited to the following logs:
 - a. E-log
 - i. Long and short normal, SP, and SRP
 - b. Gamma
14. This quote is valid for 30 days
15. Final site restoration or grading are NOT included
 - a. Client is responsible for final restoration (if needed) of the project site post Contractor's demobilization
16. Test well abandonment and the construction of a production well will be quoted separately.

TERMS AND CONDITIONS

LIABILITY OF CONTRACTOR: *Contractor shall not be liable for any bodily injury, death, or injury to or destruction of tangible property except as the same may have been caused by the negligence of Contractor, in no event shall Contractor be liable for any delays or special, indirect, incidental or consequential damages. Purchaser agrees that the total limit of Contractor's liability (whether based on negligence, warranty, strict liability or otherwise) hereunder, shall not exceed the aggregate amount due Contractor for services rendered under this contract. All claims, including claims for negligence or any other cause whatsoever, shall be deemed waived unless made in writing and received by Contractor within one (1) year after Contractor's completion of work hereunder.*

INSURANCE: Contractor shall provide workers' compensation insurance, public liability and property damage insurance covering its employees and operation. Purchaser, at its option, may maintain such insurance as will protect it against claims arising out of the work.

REIMBURSABLE COST: In addition to the hourly charge provided on the face of this contract, Purchaser will reimburse Contractor for travel and living expenses necessarily incurred by the Contractor in the performance of the work, minor incidental expenses such as overnight mail, telephone and petty cash expenditures necessarily incurred, cost of removal of all debris if so directed by Purchaser, sales, consumer, use and similar taxes required by law and the cost of permits and all licenses necessary for the execution of the work. The foregoing costs shall be billed at actual cost plus fifteen percent (15%) unless otherwise agreed upon.

PRICE ADJUSTMENT: Any cost estimates or time frames stated herein are subject to equitable adjustment in the event of differing or unforeseeable conditions, changes in applicable laws after the date of this contract, unforeseeable delays or difficulties caused by acts of God, Purchaser or any third parties. Prices of goods acquired by Contractor from others shall be adjusted to reflect Contractor's price in effect at time of shipment. The price of Contractor's goods will be adjusted to the price in effect at time of shipment in accordance with Contractor's current escalation policies or as specifically covered in this contract.

TERMS: Thirty (30) days net from date of invoice. For extended projects, Contractor shall submit invoices on a monthly basis for any and all work completed and materials or equipment provided during the previous month. Past due invoices shall be subject to a delinquency charge of one and one-half percent (1-1/2%) per month (eighteen percent (18%) per annum) unless a lower charge is required under applicable law, in which case the lower rate shall apply. Purchaser agrees to pay all collection fees, attorneys' fees and costs incurred in the collection of any past due amounts arising out of this contract. Contractor shall have the right to immediately terminate this contract without further liability if Purchaser fails to make timely payment or otherwise materially breaches this contract.

MATERIAL SHORTAGES AND COST INCREASES: If any portion of materials or equipment which Contractor is required to furnish becomes unavailable, either temporarily or permanently, through causes beyond the control and without the fault of Contractor, then in the case of temporary unavailability any completion time frames shall be extended for such period of time as Contractor shall be delayed by such above-described unavailability, and in the case of permanent unavailability Contractor shall be excused from the requirement of furnishing such materials or equipment. Purchaser agrees to pay Contractor any increase in cost between the cost of the materials or equipment which have become permanently unavailable and the cost of the closest substitute which is then reasonably available.

DELAYS: If Contractor is delayed at any time in the progress of work by labor disputes, fire, unusual delays in transportation, unavoidable casualties, weather, or any cause beyond Contractor's reasonable control, then any completion time frames shall be extended by a reasonable period of time, at least equal to the period of delay.

CHANGED CONDITIONS: The discovery of any hazardous waste, substances, pollutants, contaminants, underground obstructions or utilities on or in the job site which were not brought to the attention of Contractor or prior to the date of this contract will constitute a materially different site condition entitling Contractor, at its sole discretion to immediately terminate this contract without further liability.

ESCALATION: This contract is made with the understanding that Contractor will be able to begin and continuously proceed with its work on or before the proposed start date on the reverse side hereof. In the event Contractor is unable to commence its work on or before said date because the project is not ready for Contractor's work, Contractor will charge Purchaser the amount of increase in Contractor's cost attributable to such delay, plus C

Contractor's normal overhead percentage.

GUARANTEE AND LIABILITY: Contractor warrants that its labor supplied hereunder shall be free from defect and shall conform to the standard of care in effect in its industry at the time of performance of such labor for a period of twelve (12) months after substantial completion of Contractor's work. Contractor agrees, to the extent it is permitted, to pass on any warranties provided by the manufacturers of materials and/or equipment furnished under this contract. Contractor itself provides no warranty, express, implied or otherwise, on any such materials or equipment. Contractor will not be responsible for: work done, material or equipment furnished or repairs or alterations made by others.

For any breach hereunder, Contractor shall be liable only for the value of the installation work or, if it wrongfully fails to install, then its liability is limited to the difference between the contract price herein, and the value of other similar installation work. If Contractor's breach damages any materials or equipment furnished hereunder, Contractor shall only be liable for the value of such materials or equipment. Under no circumstances will Contractor be liable for consequential, special or indirect damages, including without limitation, any crop loss or damage, damage to other equipment, structures or property, nor for any other similar or dissimilar damages or losses whether due to delay, failure to furnish or install, delay in installation, defective material or equipment, defective workmanship, defective installation, delay in replacing, nor for any cause or breach whatsoever. In any event, Contractor's total liability towards Purchaser for alleged faulty performance or nonperformance under this contract shall be limited to the total contract price. No materials, equipment or services contracted herein carries any guarantee not mentioned in this contract. THE ABOVE WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY DISCLAIMED.

TITLE AND OWNERSHIP: In case of default on Purchaser's part, Contractor shall have the right to enter the premises upon which any material or equipment furnished herein have been installed and retake such goods not then paid for and pursue any further remedy provided by law, including recovery of attorneys' fees and any deficiency to the maximum extent and in the manner provided by law. Such materials and equipment shall retain their character as personal property of Contractor until payment in full is received by Contractor, regardless of their mode of attachment. Unless prior specific written instructions are received to the contrary, surplus and replaced materials and equipment resulting from repair or installation work shall become the property of Contractor.

DELIVERY: Shipment schedules and dates, expressed or implied, are contingent on normal conditions. Contractor will not be responsible for any delays in shipment or completion caused by factors beyond its control such as, but not limited to, suppliers' failures, accidents, work stoppages or operation of or changes in the law. Shipments will be made as promptly as Contractor's ability to obtain materials and/or equipment and scheduling will permit. No delay in shipments or variances from shipping schedule shall be cause of cancellation or any claim for damage. Any changes in layout or design requested after acceptance of this contract will be made at Purchaser's additional cost. Any such change and/or time taken to supply engineering data or to approve drawings will automatically extend shipping schedules. Equipment will be shipped "knocked down" to the extent Contractor considers necessary, with small parts stripped from equipment and crated. On and after delivery to the carrier for transportation to the Purchaser's site, Purchaser shall be responsible for all loss or damage to materials or equipment due to any cause, including but not limited to loss or damage resulting from casualty.

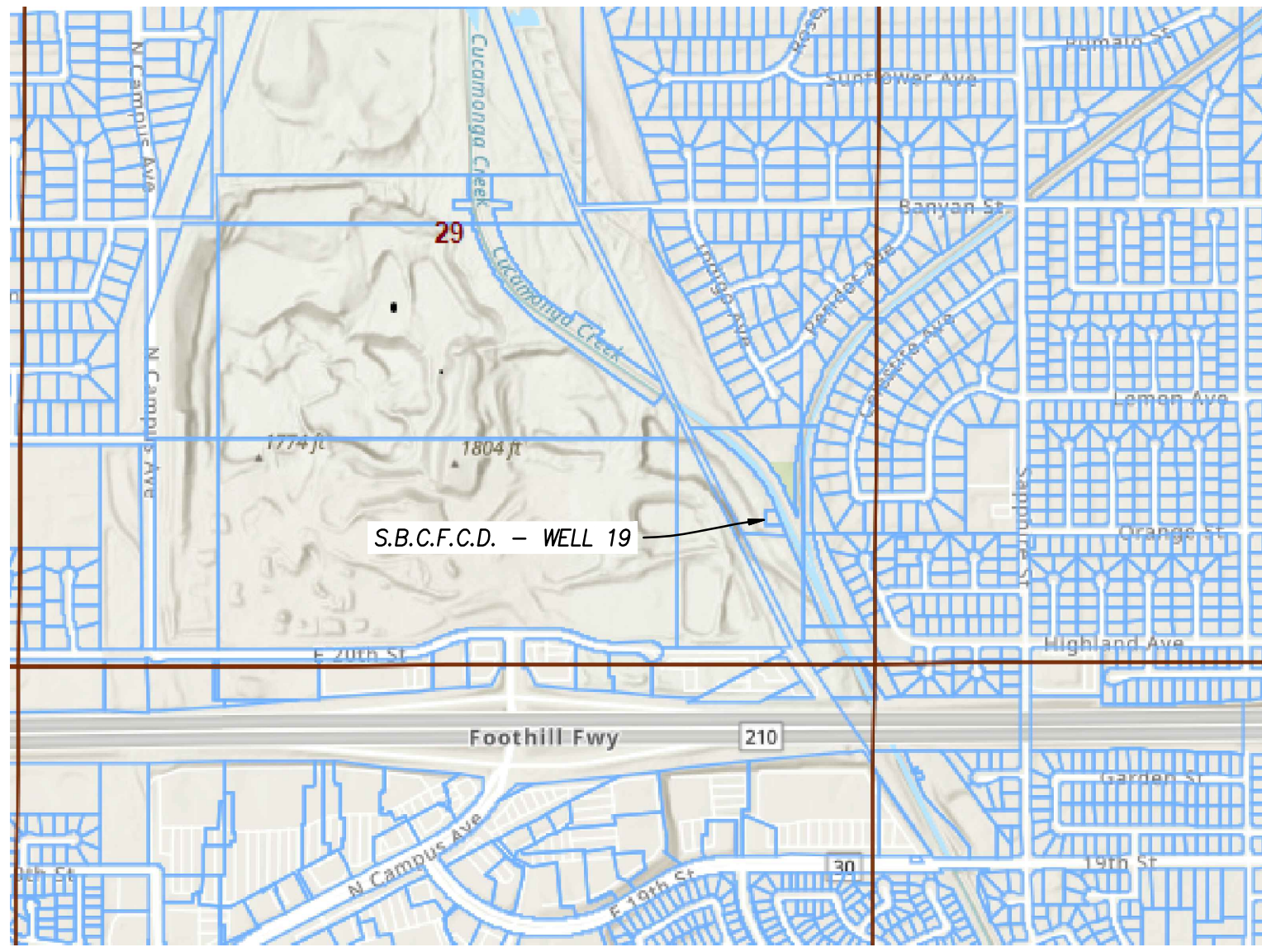
INDEMNIFICATION: Purchaser agrees to indemnify and hold Contractor, its directors, officers, stockholders, employees, agents and subcontractors, harmless from and against any and all claims, demands, causes of action (including third party claims, demands or causes of action for contribution or indemnification), liability and costs (including attorneys' fees and other costs of defense) asserted and/or filed by Purchaser or any third party(ies), including without limitation Purchaser's employees, and arising out of or as a result of: (i) the presence of Contractor or its subcontractors at the job site, (ii) the work performed by Contractor or its subcontractors, or (iii) any negligent act or omission of Purchaser, its employees, agents, consultants, other contractors or any person or entity under Purchaser's control; except to the extent that such claims, demands, causes of action, liabilities or costs are caused by the negligence of Contractor or its subcontractors.

INTERPRETATION: This contract shall be governed by and construed in accordance with the laws of the state of the job site location. If any term, provision or condition contained herein shall, to any extent, be invalid or unenforceable, pursuant to state law or otherwise, the remainder of the terms, provisions and conditions herein (or the application of such term, provision, or condition to persons or circumstances other than those

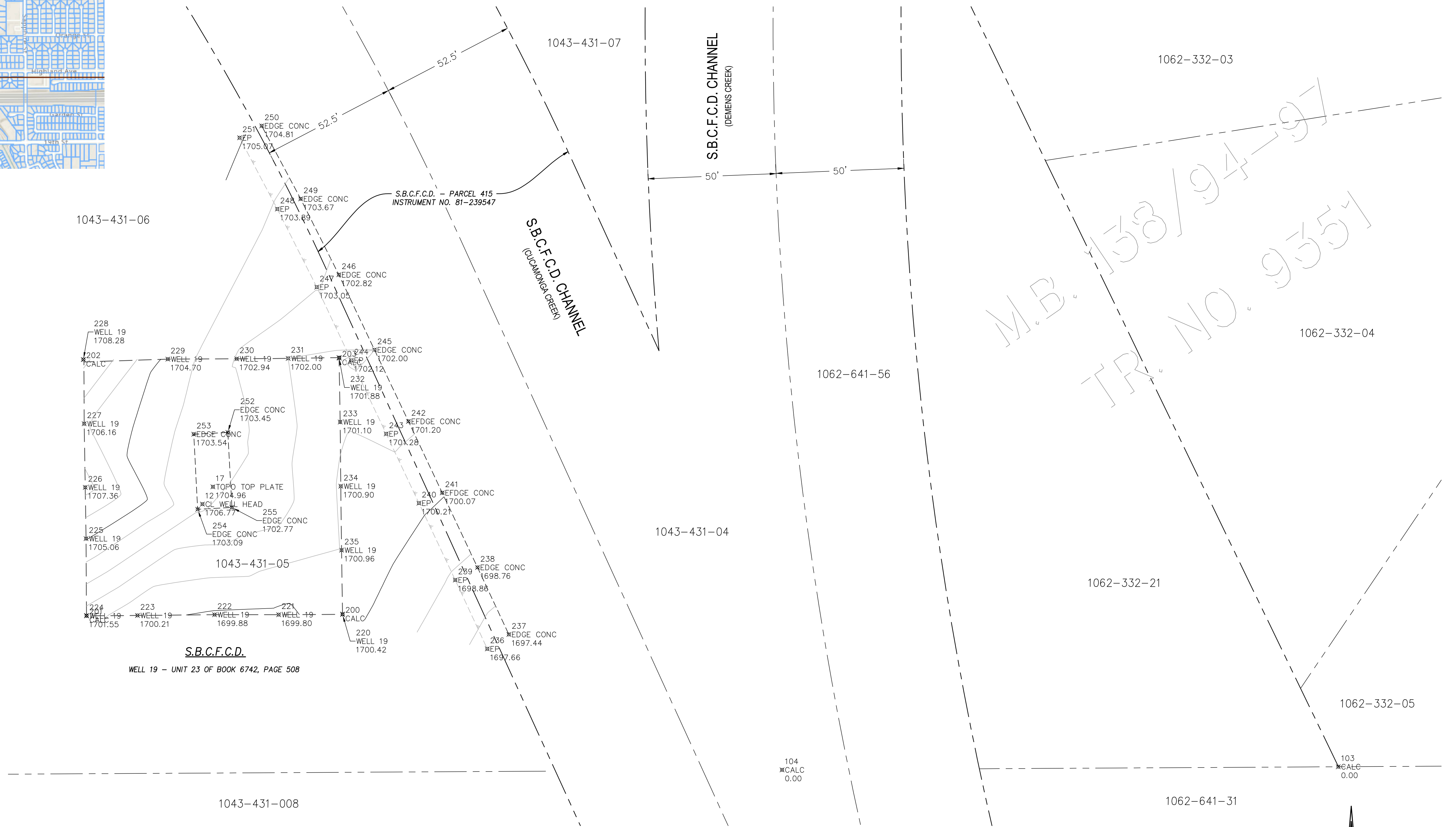
e in respect of which it is invalid or unenforceable) shall not be affected thereby, and each term, provision and condition of this contract shall be valid and enforceable to the fullest extent permitted by law.

ASSIGNMENT & SUBLETTING: Purchaser shall not have the right to transfer or assign its rights and/or obligations under this contract to any third party, related or unrelated, without the express written consent of Contractor. Contractor shall have the right to transfer, assign or sublet all or any portion of its rights or obligations hereunder, but such transfer, assignment or subletting shall not relieve Contractor from its full obligations to Purchaser unless such transfer, assignment or subletting is pursuant to the sale of Contractor, or the division of Contractor responsible for this contract, to a third party.

MISCELLANEOUS: The terms and conditions set forth herein constitute the entire understanding of the parties relating to the work to be performed, and materials and equipment to be provided, by Contractor for the Purchaser. All previous proposals, offers, and other communications relative to the provisions of the subject work, oral or written, are hereby superseded, except to the extent that they have been expressly incorporated herein. Any modifications or revisions of any provisions herein or any additional provisions contained in any purchase order, acknowledgment, or other form of the Purchaser are hereby expressly objected to by Contractor and shall not operate to modify this contract. This contract shall take effect upon acceptance and execution by both parties.



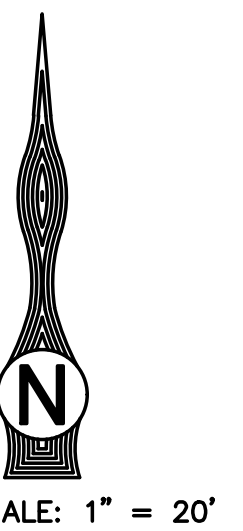
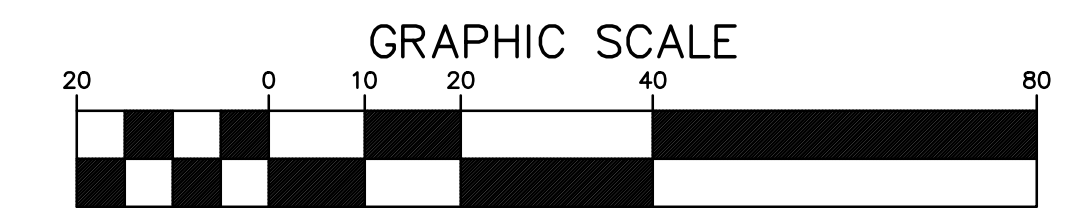
VICINITY MAP



M.B. 158/94-91
 TR. NO. 9351

LEGEND OF SYMBOLS:

- R/W --- EXISTING RIGHT-OF-WAY
- EXISTING PROPERTY LINE
- ⊕--- EXISTING CENTERLINE
- EXISTING EDGE OF PAVEMENT
- EXISTING CONCRETE



SCALE: 1" = 20'

TKE
 ENGINEERING



TKE ENGINEERING, INC.
 2305 CHICAGO AVENUE
 RIVERSIDE, CA 92507
 (951) 680-0440
 FAX: (951) 680-0490

SAN ANTONIO WATER COMPANY
 TOPOGRAPHY AND BOUNDARY EXHIBIT
 WELL 19 SITE

WELL LOCATION & SOUND WALLS

Legend

Item 6A

-  Demens Creek Trail Rest
-  SOUND WALLS



WELL LOCATION: 34.138450° / -117.630404°

Demens Creek Trail Rest



CLEARING/GRUBBING & BERM

Legend

- 3-FEET TALL BERM
- Feature 1
- SAWCO LSTW

Confluence Park Trail Rest






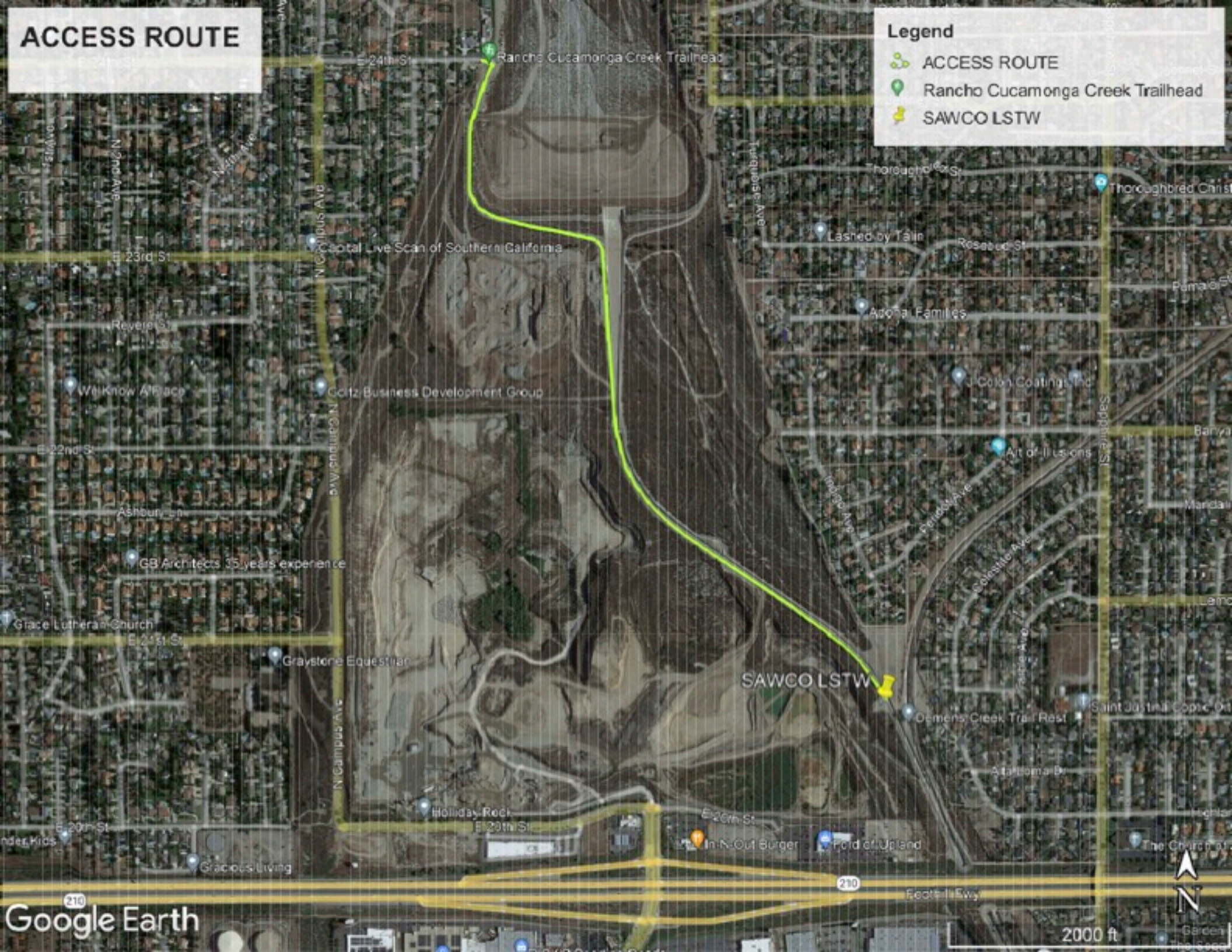
Demens Creek Trail Rest



ACCESS ROUTE

Legend

-  ACCESS ROUTE
-  Rancho Cucamonga Creek Trailhead
-  SAWCO LSTW





Office
1717 W. Park Ave.
Redlands, CA. 92373
909-390-2833
www.graniteconstruction.com

7/52023

SAN ANTONIO WATER COMPANY
BRIAN LEE
139 N EUCLID AVE.
UPLABD, CA 91786

RE: SAWCO LSTW CO-01: SOUND WALLS, WATER SOURCE, & INGRESS

Dear BRIAN LEE ,

We are pleased to present our project estimate for the referenced work to be provided at NEAR: Confluence Park Trail Rest.

This proposal covers sound walls, establishment of a water source, and the additional effort needed to access the new well site.

The attached estimate is valid for 30 days and is subject to Layne Terms and Conditions.

Thank you for choosing Layne Christensen Company and giving us the opportunity to be your water resources solution provider.

Sincerely,

RICKY TRUJILLO
Account Manager
909-957-7782

TERMS AND CONDITIONS

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GUARANTEE AND LIABILITY: Contractor warrants that its labor supplied hereunder shall be free from defect and shall conform to the standard of care in effect in its industry at the time of performance of such labor for a period of twelve (12) months after substantial completion of Contractor's work. Contractor agrees, to the extent it is permitted, to pass on any warranties provided by the manufacturers of materials and/or equipment furnished under this contract. Contractor itself provides no warranty, express, implied or otherwise, on any such materials or equipment. Contractor will not be responsible for: work done, material or equipment furnished or repairs or alterations made by others.

For any breach hereunder, Contractor shall be liable only for the value of the installation work or, if it wrongfully fails to install, then its liability is limited to the difference between the contract price herein, and the value of other similar installation work. If Contractor's breach damages any materials or equipment furnished hereunder, Contractor shall only be liable for the value of such materials or equipment. Under no circumstances will Contractor be liable for consequential, special or indirect damages, including without limitation, any crop loss or damage, damage to other equipment, structures or property, nor for any other similar or dissimilar damages or losses whether due to delay, failure to furnish or install, delay in installation, defective material or equipment, defective workmanship, defective installation, delay in replacing, nor for any cause or breach whatsoever. In any event, Contractor's total liability towards Purchaser for alleged faulty performance or nonperformance under this contract shall be limited to the total contract price. No materials, equipment or services contracted herein carries any guarantee not mentioned in this contract. THE ABOVE WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY DISCLAIMED.

TITLE AND OWNERSHIP: In case of default on Purchaser's part, Contractor shall have the right to enter the premises upon which any material or equipment furnished herein have been installed and release such goods not then paid for and pursue any further remedy provided by law, including recovery of attorneys' fees and any deficiency to the maximum extent and in the manner provided by law. Such materials and equipment shall retain their character as personal property of Contractor until payment in full is received by Contractor, regardless of their mode of attachment. Unless prior specific written instructions are received to the contrary, surplus and replaced materials and equipment resulting from repair or installation work shall become the property of Contractor.

DELIVERY: Shipment schedules and dates, expressed or implied, are contingent on normal conditions. Contractor will not be responsible for any delays in shipment or completion caused by factors beyond its control such as, but not limited to, suppliers' failures, accidents, work stoppages or operation of or changes in the law. Shipments will be made as promptly as Contractor's ability to obtain materials and/or equipment and scheduling will permit. No delay in shipments or variances from shipping schedule shall be cause of cancellation or any claim for damage. Any changes in layout or design requested after acceptance of this contract will be made at Purchaser's additional cost. Any such change and/or time taken to supply engineering data or to approve drawings will automatically extend shipping schedules. Equipment will be shipped "knocked down" to the extent Contractor considers necessary, with small parts stripped from equipment and crated. On and after delivery to the carrier for transportation to the Purchaser's site, Purchaser shall be responsible for all loss or damage to materials or equipment due to any cause, including but not limited to loss or damage resulting from casualty.

INDEMNIFICATION: Purchaser agrees to indemnify and hold Contractor, its directors, officers, stockholders, employees, agents and subcontractors, harmless from and against any and all claims, demands, causes of action (including third party claims, demands or causes of action for contribution or indemnification), liability and costs (including attorneys' fees and other costs of defense) asserted and/or filed by Purchaser or any third parties, including without limitation Purchaser's employees, and arising out of or as a result of: (i) the presence of Contractor or its subcontractors at the job site, (ii) the work performed by Contractor or its subcontractors, or (iii) any negligent act or omission of Purchaser, its employees, agents, consultants, other contractors or any person or entity under Purchaser's control, except to the extent that such claims, demands, causes of action, liabilities or costs are caused by the negligence of Contractor or its subcontractors.

INTERPRETATION: This contract shall be governed by and construed in accordance with the laws of the state of the job site location. If any term, provision or condition contained herein shall, to any extent, be invalid or unenforceable, pursuant to state law or otherwise, the remainder of the terms, provisions and conditions herein (or the application of such term, provision, or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each term, provision and condition of this contract shall be valid and enforceable to the fullest extent permitted by law.

ASSIGNMENT & SUBLETTING: Purchaser shall not have the right to transfer or assign its rights and/or obligations under this contract to any third party, related or unrelated, without the express written consent of Contractor. Contractor shall have the right to transfer, assign or sublet all or any portion of its rights or obligations hereunder, but such transfer, assignment or subletting shall not relieve Contractor from its full obligations to Purchaser unless such transfer, assignment or subletting is pursuant to the sale of Contractor, or the division of Contractor responsible for this contract, to a third party.

MISCELLANEOUS: The terms and conditions set forth herein constitute the entire understanding of the parties relating to the work to be performed, and materials and equipment to be provided, by Contractor for the Purchaser. All previous proposals, offers, and other communications relative to the provisions of the subject work, oral or written, are hereby superseded, except to the extent that they have been expressly incorporated herein. Any modifications or revisions of any provisions herein or any additional provisions contained in any purchase order, acknowledgment, or other form of the Purchaser are hereby expressly objected to by Contractor and shall not operate to modify this contract. This contract shall take effect upon acceptance and execution by both parties.

LICENSE AGREEMENT FOR WATER WELL DRILLING

This LICENSE AGREEMENT FOR WATER WELL DRILLING (“**License**”) is made and executed this ____ day of July, 2023 (“**Effective Date**”), among SAN ANTONIO WATER COMPANY, a California mutual water company and non-profit corporation, (“**Licensee**”) and HOLLIDAY ROCK CO., INC., a California corporation (“**Licensor**”). Licensee and Licensor are each referred to herein as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. Licensor is the owner of certain real property located in San Bernardino County, California, commonly referred to as Assessor Parcel No. _____, as further depicted on the attached Exhibit A (the “**Licensor Property**”).

B. Licensee desires to obtain Licensor’s permission to enter onto and use the Licensor Property for certain purposes related to Licensee’s drilling and constructing of a water well (the “**Well**”) on property owned by Licensee (the “**Licensee Property**”), within the larger boundaries of the Licensor Property, as identified on Exhibit A.

C. The Parties wish to enter into this License whereby Licensor will allow Licensee to enter onto the Licensor Property for the above stated purpose.

AGREEMENT

1. Incorporation of Recitals. The Recitals set forth above are true and correct and are incorporated into this License by this reference.

2. License. Licensor hereby grants to Licensee, and their respective agents, employees and contractors a temporary, non-exclusive, and irrevocable (other than for cause as provided in this License) license in, over, across, and under that portion of the Licensor Property depicted on the attached Exhibit B (the “**Licensed Area**”), solely for the Permitted Use (defined in Section 3), subject to the termination and default provisions of this License; provided, however, that Licensee’s use of the Licensed Area permitted hereunder shall not interfere with the reasonable use and enjoyment thereof by Licensor or any tenants, occupants or persons claiming through or under Licensor; and provided further that all persons who enter upon the Licensor Property pursuant to this License do so at their own risk and shall comply with the provisions of this License and any and all instructions and directions of Licensor.

3. Permitted Use. Licensee may use the Licensed Area solely for activities related to Licensee’s drilling and construction of the Well on Licensee’s Property, which activities include, but are not limited to: (i) construction staging purposes, including, but not limited to, depositing, storing, spreading, stockpiling, removing, transporting, and relocating soils (including, without limitation, drilling fluid and other materials associated with the drilling and construction of water wells), rock and gravel, materials, supplies, pipes, tools, equipment, vehicles, and temporary sanitary facilities; (ii) construction and operation of the Improvements (defined in Section 6.2); and (iii) such other activities that are reasonably necessary or convenient for the drilling and

construction of the Well (the “**Permitted Use**”). Licensee shall have access to the Licensed Area twenty-four (24) hours a day, Monday – Sunday, including holidays.

4. Authority to Enter Agreement. Licensor warrants that it is the owner of the Licensor Property and that the undersigned is authorized to grant Licensee permission to enter onto the Licensor Property for the use specified in this License. Licensee hereby warrants that its representative signing this License is authorized to execute this License on behalf of Licensee.

5. Term. The term of this License shall commence on the Effective Date and continue thereafter until (i) Licensee’s completion of the Permitted Use, which is estimated to occur within one hundred twenty (120) days following the commencement of the work; (ii) termination by Licensor in accordance with Section 6.5.3; or (iii) termination by either Party upon notice to the other Party if the other Party materially breaches this Agreement and does not cure the breach within ten (10) days after receiving such notice; provided, however, that if the breach cannot reasonably be cured within such ten (10)-day period, and if the breaching Party commences and diligently continues actions to cure the breach during such ten (10)-day period, then the breaching Party shall have additional time as is necessary to complete such cure. Upon the expiration or termination of the License, Licensee shall cease all operations and restore the Licensed Area in accordance with Section 6.6.

6. Obligations of Licensee

6.1. Compliance with Laws/Permits. Licensee shall, in all activities undertaken pursuant to this License, comply and cause its contractors, agents and employees to comply with all federal, state and local laws, statutes, orders, ordinances, rules, regulations, plans, policies and decrees. Without limiting the generality of the foregoing, Licensee, at its sole cost and expense, shall obtain any and all permits which may be required by any law, regulation or ordinance for Licensee’s use of the Licensed Area pursuant to this License.

6.2. Installation and Removal of Improvements. Following no less than twenty-four (24) hours’ prior written notice to Licensor, and following Licensor’s receipt of the certificates of insurance required by Section 6.4.4, Licensee and its contractors may enter the Licensed Area for the purpose of improving the Licensed Area with a settling basin for the purpose of recovering materials (primarily bentonite) used in connection with the drilling of the Well (the “**Improvements**”). The Improvements must be installed in accord with any applicable local, state, and federal requirements. Licensee will, within thirty (30) days following the expiration of the term or earlier termination of this License, remove the Improvements and restore the Licensed Area to the condition existing as of the Effective Date, unless otherwise permitted by Licensor.

6.3. Indemnification. To the fullest extent permitted by law, Licensee and its contractors, consultants, subcontractors, subconsultants, materialmen, suppliers, workers, successors, and assigns (all of the foregoing, collectively, the “**Licensee Parties**”) shall, and hereby do, agree to indemnify, defend and hold harmless Licensor and its shareholders, officers, directors, employees, agents, volunteers, successors, representatives, and assigns (all of the foregoing, collectively, the “**Licensor Parties**”), from and against all actual and alleged damages, claims, lawsuits, administrative and judicial proceedings, liabilities, settlements, penalties, fines, costs, expenses, losses, or attorney and consultant fees and costs (collectively, “**Damages**”)

incurred by Licensor to the extent that the same arise or result from or are caused by the acts or omissions of the Licensee Parties in connection with their use of the Licensed Area and/or in connection with the exercise of any other rights granted by this License; provided, however, that Licensee shall not be obligated to indemnify, defend, or hold harmless the Licensor Parties from and against any Damages to the extent that such Damages are caused by the negligence or willful misconduct of the Licensor Parties.

6.4. Insurance. Licensee shall obtain, and shall require any consultant or contractor entering the Licensor Property on its behalf to obtain, insurance of the types and in the amounts described below.

6.4.1. Commercial General Liability Insurance. Licensee shall maintain occurrence version commercial general liability insurance or equivalent form with a combined single limit of not less than One Million Dollars (\$1,000,000) combined single limit. Such insurance shall:

(1) Include Licensor, its shareholders, directors, officers, employees, agents, and consultants as additional insureds with respect to the use of the Licensed Area and shall contain no special limitations on the scope of coverage or the protection afforded to the additional insureds;

(2) Be primary with respect to any insurance or self-insurance programs covering the Licensor, its officials, officers, employees, agents and consultants; and

(3) Contain standard separation of insured provisions.

(4) Contain a waiver of subrogation that waives any right the insurer has against Licensor for any claims or suits.

6.4.2. Workers' Compensation Insurance. Licensee shall maintain workers' compensation insurance with statutory limits and employers' liability insurance with a combined single limit of not less than One Million Dollars (\$1,000,000).

6.4.3. Automobile Liability. Licensee shall maintain automobile liability insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to Licensor with limits of not less than One Million Dollars (\$1,000,000) combined single limit.

6.4.4. Certificates of Insurance. Licensee shall, prior to entering the Licensor Property, furnish Licensor with properly executed certificates of insurance and policy endorsements, which clearly evidence all insurance required under this License and provide that such insurance shall be not be canceled, allowed to expire or be materially reduced in coverage, except on thirty (30) days' prior written notice to Licensor.

6.4.5. Coverage Maintenance. Licensee shall replace certificates, policies and endorsements for any insurance expiring prior to the termination of this License. Unless otherwise provided for in this License, Licensee shall maintain such insurance throughout the term of this License.

6.4.6. Licensed Insurer. Licensee shall place such insurance with insurers having A.M. Best Company ratings of no less than A:VIII and licensed to do business in California, unless otherwise approved, in writing, by Licensor.

6.4.7. Mediums of Insurance. Any insurance carried or required to be carried by Licensee pursuant to this License, at Licensee's option, may be carried under an insurance policy, as self-insurance (provided the self-insurance requirements of this License are met) or pursuant to a master policy of insurance or so-called blanket policy of insurance covering other locations of Licensee, or any combination thereof. If Licensee elects to self-insure, Licensee shall be responsible for any losses or liabilities which would have been assumed by the insurance companies which would have issued the insurance required of Licensee under this License. Licensee will notify Licensor in advance of any period for which it intends to self-insure and shall provide Licensor with satisfactory evidence that it complies with these requirements in order to give Licensor an opportunity to confirm the satisfaction of the conditions set forth above. Self-insurance does not relieve the Licensee of its obligation to indemnify under this License.

6.5. Hazardous Materials.

6.5.1. Use. Licensee shall operate and maintain the Licensed Area in compliance with all, and shall not cause or permit the Licensed Area to be in violation of any, federal, state or local environmental, health and/or safety related laws, regulations, standards, decisions of the courts, permits or permit conditions, currently existing or as amended or adopted in the future which are or become applicable to Licensee or the Licensed Area (collectively, "**Environmental Laws**" and, individually, an "**Environmental Law**"). Licensee shall not cause or permit, or allow any of Licensee's contractors/subcontractors/employees/invitees to cause or permit, any Hazardous Materials to be brought upon, stored, used, generated, handled, transported, treated or disposed of on or about the Licensor Property. Any Hazardous Materials on or about the Licensor Property shall be stored, used, generated, handled, transported, treated or disposed of in accordance with all applicable Environmental Laws. As used herein, "**Hazardous Materials**" means any chemical, substance or material which is now or becomes in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, its properties or effects.

6.5.2. Remediation. In addition, in the event of any release on or contamination of the Licensor Property and/or any other property impacted by the activities undertaken under this License, Licensee, at its sole expense, shall promptly take all actions necessary to clean up the affected property and to return the affected property to the condition existing prior to such release or contamination, to the satisfaction of Licensor and any governmental authorities having jurisdiction thereover.

6.5.3. Termination for Breach of Hazardous Materials Obligations. Should Licensee not comply fully with the above-stated obligations, Licensor may, in its sole discretion, terminate this License by serving ten (10) days' notice of termination upon Licensee. Any waiver by Licensor of any breach of Licensee's obligation shall not constitute a waiver of the right to terminate this License for any subsequent breach which may occur, or to enforce any other provision of this License. In the event of termination in accordance with this Section 6.5.3, Licensee must restore the Licensor Property as herein provided in this License.

6.6. Restoration of the Licensed Area. Upon the termination or expiration of this License, and unless otherwise permitted by Licensor, Licensee shall, at its own cost and expense, restore the Licensed Area to the same condition in which it was prior to Licensee's entry within thirty (30) days after the effective date of such termination; provided, however, that if such restoration would take longer than thirty (30) days to complete under normal circumstances, Licensee shall begin such restoration within said thirty (30) day period and thereafter diligently prosecute such restoration to completion. If Licensee fails to restore the Licensed Area to its prior condition within said thirty (30) day period, or if such restoration would exceed the thirty (30) day period under normal circumstances and Licensee fails to begin such restoration within the thirty (30) day period and thereafter diligently prosecute such restoration to completion, Licensor may proceed with such work at the expense of Licensee. Licensor may invoice Licensee for such work and Licensee shall reimburse Licensor for the costs of the same within thirty (30) days of receipt of said invoice.

6.7. Liens. Licensee shall not permit to be placed against the Licensor Property, or any part thereof, any design professionals', mechanics', materialmen's, contractors', or subcontractors' liens resulting from or related to the Licensee Parties' actions upon the Licensor Property and/or exercise of the rights granted pursuant to this License. Licensee agrees to hold the Licensor Parties and the Licensor Property harmless for any loss or expense, including reasonable attorneys' fees and costs, arising from any such liens that might be filed against the Licensor Property.

7. Inspection. Licensor and its representatives, employees, agents or independent contractors may enter and inspect the Licensed Area or any portion thereof or any Improvements thereon at any time and from time to time at all times to verify Licensee's compliance with the terms and conditions of this License.

8. No Real Property Interest. It is expressly understood that this License is not exclusive and does not in any way whatsoever grant or convey any temporary or permanent easement, lease, fee, or other real property interest in the Licensor Property. The rights created under this License are solely contractual in nature and are personal to Licensee and Licensor.

9. Independent Contractor. The relationship between Licensee and Licensor is that of an independent contractor. No Party will be considered the agent or employee of any other. No Party intends to create a partnership or joint venture by entering into this License.

10. Continuing Liability. The termination of this License for any reason shall not release Licensee from any liability or obligation hereunder resulting from any acts, omissions or events occurring prior to termination.

11. Successors and Assigns. This License shall bind and inure to the benefit of the Parties' permitted successors in interest, executors, administrators and assigns. Licensee may not assign or transfer by operation of law or otherwise any or all of their rights, burdens, duties or obligations without the prior written consent of Licensor, given, withheld, or conditioned in its sole and absolute discretion. Any attempted assignment without Licensor's prior written consent shall be invalid and void.

12. Notices. Any notice or instrument required to be given or delivered by this License may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to the following addresses and shall be effective upon receipt thereof:

LICENSEE:

San Antonio Water Company
Attn: Brian Lee
139 N. Euclid Avenue
Upland, CA 91786

With a Copy to:

Fennemore, LLP
Attn: Kevin Randolph
550 E. Hospitality Lane, Suite 350
San Bernardino, CA 92408

LICENSOR:

Holliday Rock Co, Inc.
Attn: John Holliday
1401 N. Benson Avenue
Upland, CA 91786

With a Copy to:

13. Severability. If any provision of this License is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable for any reason, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance, and the remaining provisions of this License shall remain in full force and effect.

14. Non-Waiver. The delay or failure of any Party at any time to require performance or compliance by any other Party of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this License shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. The waiver of any right or remedy with respect to any occurrence or event shall not be deemed a waiver of any right or remedy with respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

15. Headings. Paragraphs and subparagraph headings contained in this License are included solely for convenience and are not intended to modify, explain, or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this License.

16. Entire Agreement. This License is the result of negotiations between the Parties. This License is intended by the Parties as a full and final expression of their understanding with respect to the matters contained in this License and supersedes any and all prior communications and understandings among the Parties, whether written or verbal.

17. Amendment; Modification. No supplement, modification, or amendment of this License shall be binding unless executed in writing and signed by all Parties.

18. Attorneys' Fees, Governing Law, Venue. In the event of a dispute between the Parties with respect to the terms or conditions of this License, the prevailing Party shall be entitled to collect from the other its reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which it may be entitled. This License shall be governed by the procedural and substantive laws of the State of California, without regard to its choice of law principles. Venue for any action or other proceeding involving the interpretation or enforcement of this License shall be proper only in the California state courts located in San Bernardino County, California, and each Party irrevocably waives, to the greatest legal extent possible, the right to have any such action or proceeding transferred or removed to any other venue or jurisdiction.

19. Electronic Signature. Each Party acknowledges and agrees that this License may be executed by electronic or digital signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature.

20. Counterparts. This License may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

21. Signage. Licensee shall be permitted to erect safety-related signs on the Licensed Area, subject to Licensor's approval, not to be unreasonably withheld; provided, however, that any signs erected by Licensee must comply with all applicable federal, state and local laws.

*[Remainder of page intentionally left blank;
signatures on next page]*

IN WITNESS WHEREOF the Parties hereto have caused this License to be executed as of the Effective Date first written above.

LICENSEE:

SAN ANTONIO WATER COMPANY,
a California mutual water company and non-profit corporation

By: _____
Name: _____
Its: _____

LICENSOR:

HOLLIDAY ROCK CO., INC.,
a California corporation

By: _____
Name: _____
Its: _____

DRAFT

EXHIBIT A

DEPICTION OF THE LICENSOR PROPERTY AND THE LICENSEE PROPERTY

[To Be Provided]

DRAFT

EXHIBIT B

DEPICTION OF THE LICENSE AREA

[To Be Provided]

DRAFT