AGENDA
IRVINE RANCH WATER DISTRICT
ENGINEERING AND OPERATIONS COMMITTEE MEETING
THURSDAY, OCTOBER 22, 2026

This meeting will be held in-person at the District's headquarters located at 15600 Sand Canyon Avenue, Irvine, California. The meeting will also be broadcasted via Webex for those wanting to observe the meeting virtually.

To observe this meeting virtually, please join online using the link and information below:

Via Web: https://irwd.webex.com/irwd/j.php?MTID=md37ef21d82624213001b90948e50ba0f
Meeting Number (Access Code): 2482 614 2243
Meeting password: h5eSQz25Cew

PLEASE NOTE: Webex observers of the meeting will be placed into the Webex lobby when the Board enters closed session. Participants who remain in the "lobby" will automatically be returned to the open session of the Board once the closed session has concluded. Observers joining the meeting while the Board is in closed session will receive a notice that the meeting has been locked. They will be able to observe the meeting once the closed session has concluded.

CALL TO ORDER 1:30 p.m.

ATTENDANCE Committee Chair: Doug Reinhart _____
Committee Member: Dan Ferons _____

ALSO PRESENT

Paul Cook	___	Kevin Burton	___	Wendy Chambers	___
Neveen Adly	___	Paul Weghorst	___	Steve Choi	___
Jim Colston	___	Jason Manning	___	Jose Zepeda	___
Eric Akiyoshi	___	Belisario Rios	___	Jacob Moeder	___
Brian Waite	___	Lori Rigby	___	Scott Giatpaiboon	___
_____	___	_____	___	_____	___
_____	___	_____	___	_____	___
_____	___	_____	___	_____	___
_____	___	_____	___	_____	___
_____	___	_____	___	_____	___

PUBLIC COMMENT NOTICE

If you wish to address the Committee orally on any item, you may attend the meeting in person and submit a "speaker slip" to the Committee Chair. Forms are provided at the front of the Committee Room. Public comments are limited to three minutes per speaker on each subject. If you wish to submit written comments to the Committee, please submit your public comment in advance of the meeting by emailing comments@irwd.com before 8:30 a.m. on Thursday, October 22, 2026, and your remarks will be added to the record at the meeting.

COMMUNICATIONS

1. Notes: Burton
2. Public Comments
3. Determine the need to discuss and/or take action on item(s) introduced that came to the attention of the District subsequent to the agenda being posted and determine which items may be approved without discussion.

INFORMATION

4. SYPHON RESERVOIR IMPROVEMENT PROJECT CONSTRUCTION STATUS QUARTERLY REPORT – RADVAR / MOEDER / BURTON

   Recommendation: Receive and file.

5. CALIFORNIA VOLUNTARY PROTECTION PROGRAM APPLICATION UPDATE – CHOI / BURTON

   Recommendation: Receive and file.

ACTION

6. MASTER REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF IRVINE AND IRWD FOR THE INSTALLATION OF MISCELLANEOUS FACILITIES – JOHNSON / RIOS / BURTON

   Recommendation: That the Board authorize the General Manager to execute a Master Reimbursement Agreement between the City of Irvine and IRWD for the installation of miscellaneous facilities.

7. DYER ROAD WELL FIELD PIPELINE CONDITION ASSESSMENT AND CATHODIC PROTECTION SYSTEM IMPROVEMENTS CONSULTANT SELECTION – ROBINSON / AKIYOSHI / BURTON

   Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with HDR in the amount of $374,777 for engineering services for the Dyer Road Well Field Pipeline Condition Assessment and Cathodic Protection System Improvements, Project 12518.

ACTION (continued)

8. SANTIAGO CREEK DAM IMPROVEMENT EASEMENT AND REIMBURSEMENT AGREEMENT – THATCHER / MOEDER / BURTON

   Recommendation: That the Board authorize the General Manager to execute the Easement and Reimbursement Agreement and non-substantive changes in the amount of $135,044 for the easements necessary to construct the Project and other Project-related responsibilities for the Santiago Creek Dam Improvement, Project 01813.

9. AGREEMENT FOR SYSTEMWIDE FACILITIES FOR THE JOINT REGIONAL WATER SUPPLY SYSTEM – CHAMBERS

   Recommendation: That the Board (1) approve the Agreement for Systemwide Facilities for the Joint Regional Water Supply System, (2) authorize the President of the Board to execute the agreement on IRWD'S behalf, (3) authorize the General Manager, subject to General Counsel's review, to approve non-substantive clarifying changes prior to the agreement's November 12, 2026 effective date.

OTHER BUSINESS

10. Directors' Comments

11. Adjournment

****

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Committee in connection with a matter subject to discussion or consideration at an open meeting of the Committee are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Committee Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available electronically via the Webex meeting noted. Upon request, the District will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to comments@irwd.com. Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Note: This page is intentionally left blank.

October 22, 2026
Prepared by: G. Radvar / J. Moeder
Submitted by: K. Burton
Approved by: Paul A. Cook

ENGINEERING AND OPERATIONS COMMITTEE

SYPHON RESERVOIR IMPROVEMENT PROJECT
CONSTRUCTION STATUS QUARTERLY REPORT

SUMMARY:

This is the quarterly construction status report for the Syphon Reservoir Improvement Project (SRIP), summarizing activities from May through September 2026.

BACKGROUND:

The SRIP will replace the existing 59-foot-high earth embankment dam, constructed in 1949, with a new approximately 138-foot-high earth-fill embankment dam and increase the reservoir's recycled water storage capacity from 535 acre-feet to approximately 5,000 acre-feet. Major improvements include a new dam and foundation, grout curtain, spillway, inlet / outlet facilities, dam control building, water treatment and aeration facilities, site access and utilities, and associated mechanical, electrical, instrumentation and control systems.

On May 11, 2026, IRWD issued a Notice of Award to Sukut Construction for the construction contract. Sukut has five years from the Notice of Award to achieve substantial completion. The COWI / Gannett Fleming Joint Venture Construction Management Team (CMT) is providing construction management services for the Project, and the project's design engineer, AECOM, is providing engineering support during construction.

Construction Activities:

Following the Notice of Award and during the restriction period, Sukut proceeded with preconstruction activities, including preparing and submitting documents required by the Contract Documents. Sukut submitted more than 50 submittals and 29 Requests for Information (RFIs). The CMT facilitated the preconstruction meeting, coordinated review of contractor submittals and RFIs, and established bi-weekly construction progress meetings. In addition, IRWD coordinated with the Division of Safety of Dams (DSOD) to establish construction oversight and coordination procedures.

Prior to Sukut's mobilization to the site, ESA, the Project's environmental compliance consultant, conducted the Worker Environmental Awareness Program and cultural resources training for onsite personnel in conjunction with the CMT's safety orientation. ESA has also reviewed environmental submittals for compliance with California Environmental Quality Act mitigation measures and applicable environmental permit requirements.

IRWD executed the Construction Agreement with Sukut and issued the Notice to Proceed on July 30, 2026. Sukut mobilized to the site in late August and began initial site activities,

including equipment mobilization, surveying, potholing existing utilities, and installing Storm Water Pollution Prevention Plan Best Management Practices.

After the nesting bird restriction period ended, Sukut began major construction activities on September 16, including clearing and grubbing, installing environmentally sensitive area fencing, grading the contractor staging area, and improving the site access road. ESA performs daily environmental and cultural resource monitoring during construction and coordinates with the California Department of Fish and Wildlife, as necessary, to maintain compliance with Project permit requirements.

IRWD continues to coordinate construction activities with stakeholders and regulatory agencies. Coordination with Crean Lutheran High School has focused on site access, safety, construction and haul traffic, dust control, noise control, and minimizing potential impacts to school operations and the surrounding community. IRWD also collaborated with the Orange County Fire Authority to accommodate line-cutting training at the project site, including coordination of site access, permitting, environmental requirements, and construction activities to allow the training to proceed without interfering with Sukut's work.

During the next quarter, Sukut will continue site preparation and transition into more significant grading and excavation activities. Upcoming work includes completion of the contractor staging area, establishing the contractor and construction management trailers, construction of the temporary stream-diversion system and diversion berm, and commencement of major dam excavation.

Schedule Status:

A summary of the project schedule through September 30, 2026, is as follows:

Notice of Award	May 11, 2026
Contractual Project Completion Date	May 12, 2031
Estimated Project Completion Date	May 12, 2031
Percentage of Contractual Construction Time Elapsed	7.8%
Approximate Percentage of Total Contract Amount Invoiced	5.87%
Bid Amount	$214,126,000
Total Change Orders	$0
Total Contract Amount	$214,126,000

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

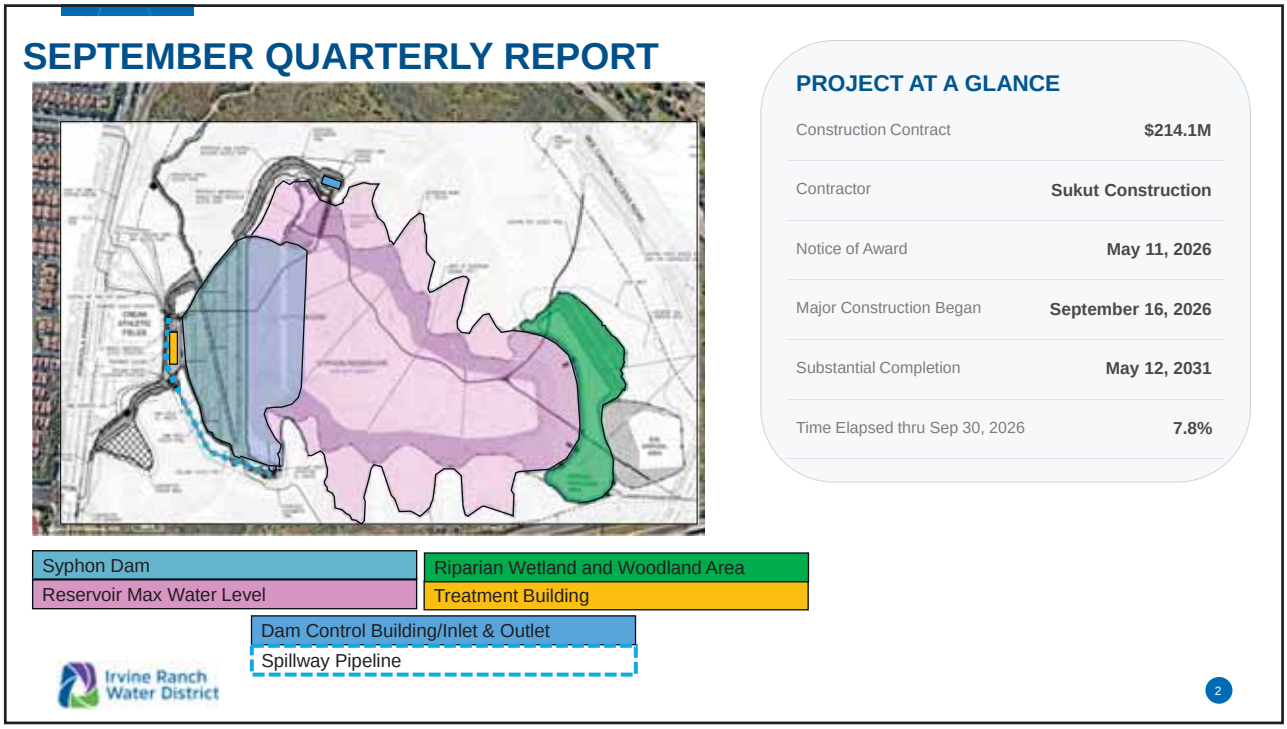
LIST OF EXHIBITS:

Exhibit “A” – SRIP Quarterly Report Draft Presentation

Note: This page is intentionally left blank.


Irvine Ranch Water District
SYPHON RESERVOIR IMPROVEMENT PROJECT CONSTRUCTION STATUS QUARTERLY REPORT
ENGINEERING AND OPERATIONS COMMITTEE
OCTOBER 22, 2026
DRAFT
1

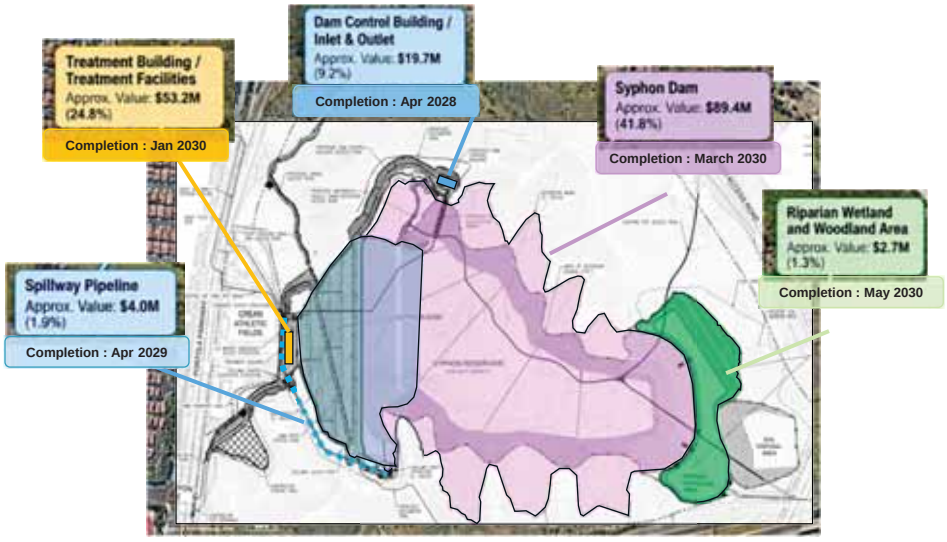
1


SEPTEMBER QUARTERLY REPORT
PROJECT AT A GLANCE
Construction Contract $214.1M
Contractor Sukut Construction
Notice of Award May 11, 2026
Major Construction Began September 16, 2026
Substantial Completion May 12, 2031
Time Elapsed thru Sep 30, 2026 7.8%
Syphon Dam
Reservoir Max Water Level
Riparian Wetland and Woodland Area
Treatment Building
Dam Control Building/Inlet & Outlet
Spillway Pipeline
Irvine Ranch Water District
2

2

SEPTEMBER QUARTERLY REPORT

Projected Cost & Schedule



Irvine Ranch Water District

Sitewide & General Construction: $45M (21%)

3

3

SEPTEMBER QUARTERLY REPORT

Project Org Chart

Irvine Ranch Water District

- Contractor: SUKUT CONSTRUCTION
- Construction Management Team: COWI | GANNETT FLEMING; ARDURRA; RMA Group; PSOMAS; CAPO; Kleinfelder
- Design Team: AECOM; HDR
- Dam Safety Risk Management
- Environmental Compliance: ESA

Project Stakeholders

Resource Agencies

Grants

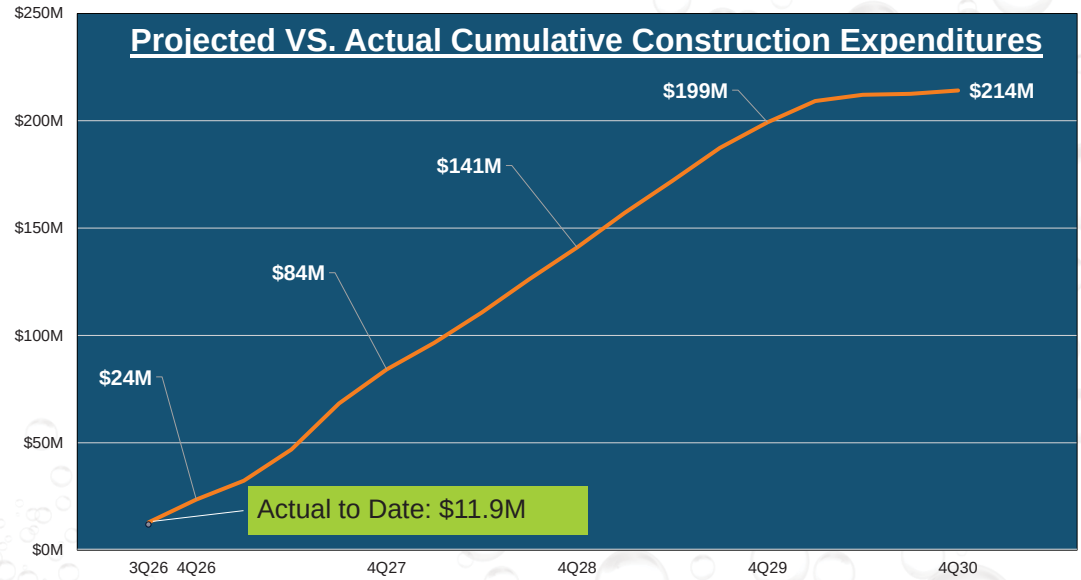
Division of Safety of Dams

Other

CREAN LUTHERAN HIGH SCHOOL

4

SEPTEMBER QUARTERLY REPORT

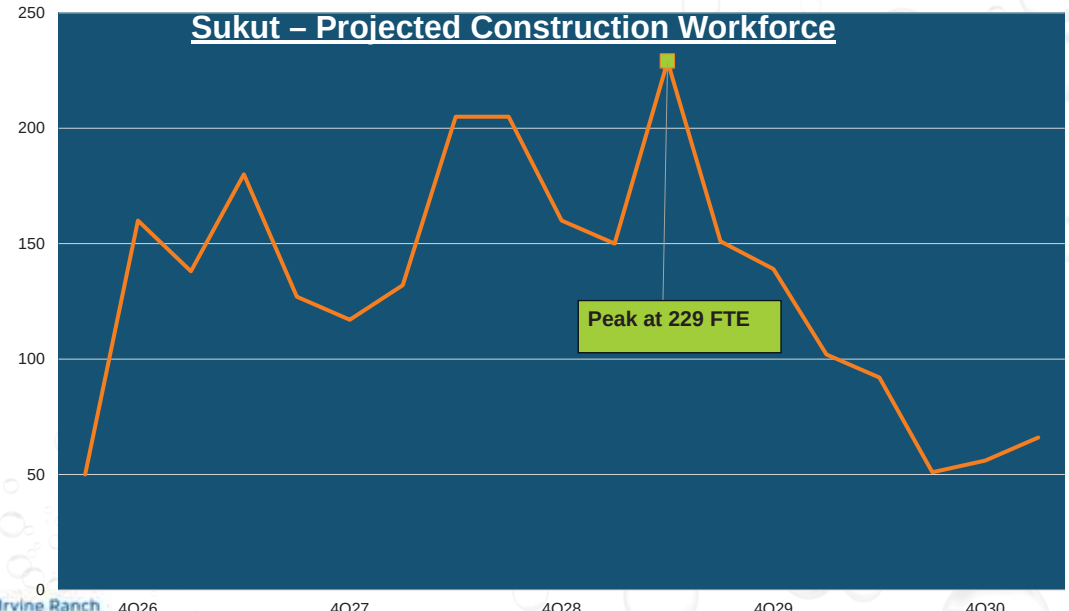


Irvine Ranch Water District

5

5

SEPTEMBER QUARTERLY REPORT

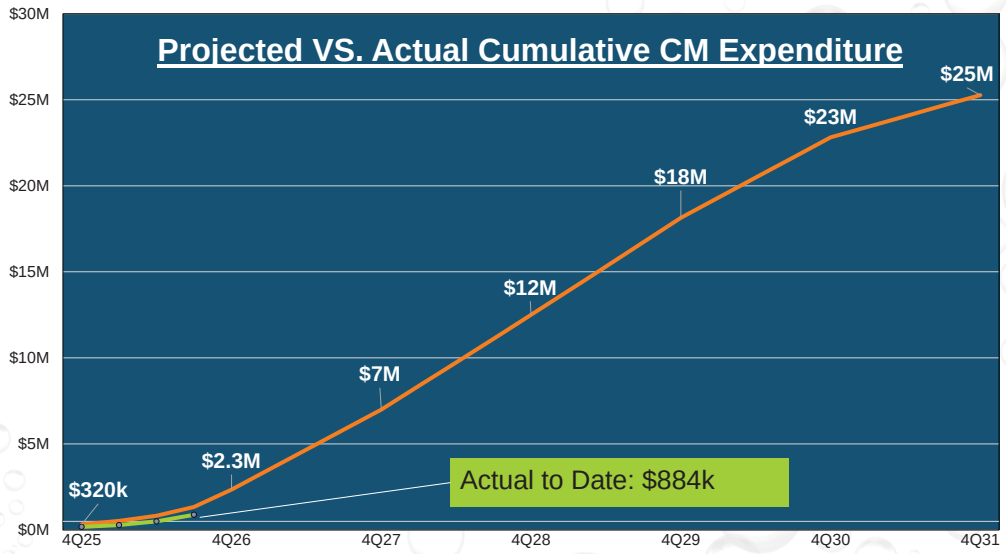


Irvine Ranch Water District

6

6

SEPTEMBER QUARTERLY REPORT



Irvine Ranch Water District

7

7

SEPTEMBER QUARTERLY REPORT

CMT – Projected Workforce

Staff	2026 1 2 3 4	2027 1 2 3 4	2028 1 2 3 4	2029 1 2 3 4	2030 1 2 3 4	2031 1 2 3 4	Office	Larger, Dedicated Cubicle (open plan)	Hot-desk style work station on bench
							5	3	7 *
Construction Manager							1		
Contract Manager							1		
Resident Engineer							1		
QA Manager							1		
Chief Inspector								1	
Safety Manager								1	
Cost Engineer								1	
Assistant RE									
Scheduler									
Geotech Inspector									
Materials Tech (in-situ)									
Materials Tech (on-site lab)									5
Concrete Inspector									
Welding Inspector									
Mechanical Inspector									
Coatings Inspector									
Additional cubicles for CMT staff ramp-up if needed									1
Additional office for visiting Sr staff.							1		

Irvine Ranch Water District

* One Additional Workstation for IRWD/AECOM/Board Visitors

8

8

SEPTEMBER QUARTERLY REPORT



Environmental Compliance & Coordination



1 TRAIN
- WEAP Training

2 PROTECT
- ESA Fencing

3 MONITOR
- Daily Env. & Cultural Resource Monitoring

4 COORDINATE
- CDFW Coordination

- Permits: LSAA & ITP
- CEQA
- Fugitive Dust Control Plan

Irvine Ranch Water District

9

9

SEPTEMBER QUARTERLY REPORT

Project Interdependencies

01 EASTWOOD RECYCLED WATER INTERTIE

Completed



02 EASTWOOD RECYCLED WATER PUMP STATION

Zone A to Syphon / Syphon to Zone C Equipping

Detailed Design: Jan 2027 • Final Completion: Oct 2028





03 SYSTEM INTEGRATOR

Procurement



04 OFF-SITE ENVIRONMENTAL MITIGATION

33.4-acre IRWD property near Campus Drive and San Diego Creek

Consultant Procurement



Irvine Ranch Water District

10

10

SEPTEMBER QUARTERLY REPORT

CONSTRUCTION PROGRESS

JANUARY 2026

Before Construction

Irvine Ranch Water District

11

11

SEPTEMBER QUARTERLY REPORT



Irvine Ranch Water District

12

SEPTEMBER QUARTERLY REPORT



Irvine Ranch Water District

13

13

SEPTEMBER QUARTERLY REPORT



Irvine Ranch Water District

14

14

SEPTEMBER QUARTERLY REPORT



Irvine Ranch Water District

15

15

SEPTEMBER QUARTERLY REPORT

CONSTRUCTION PROGRESS

SEPTEMBER 2026

Construction Underway

Irvine Ranch Water District

16

16

SEPTEMBER QUARTERLY REPORT



Irvine Ranch Water District

17

SEPTEMBER QUARTERLY REPORT

Stakeholder/ Interdepartmental Coordination



Crean Lutheran

DSOD



OCFA

SRIP

CDFW

GIS/ Communications

Environmental

O&M

Safety

Bureau of Reclamation

Water Boards

Grants / Buy America

Irvine Ranch Water District

18

18

SEPTEMBER QUARTERLY REPORT

Construction Water - Potholing







Irvine Ranch Water District

19

19

SEPTEMBER QUARTERLY REPORT

SWPPP BMPs & Site Prep





Irvine Ranch Water District

20

20

SEPTEMBER QUARTERLY REPORT

ESA Fencing ~16,750 LF





Irvine Ranch Water District

21

21

SEPTEMBER QUARTERLY REPORT

Clearing & Grubbing ~ 60 Acres



Irvine Ranch Water District

22

22

SEPTEMBER QUARTERLY REPORT

Roadway Improvements



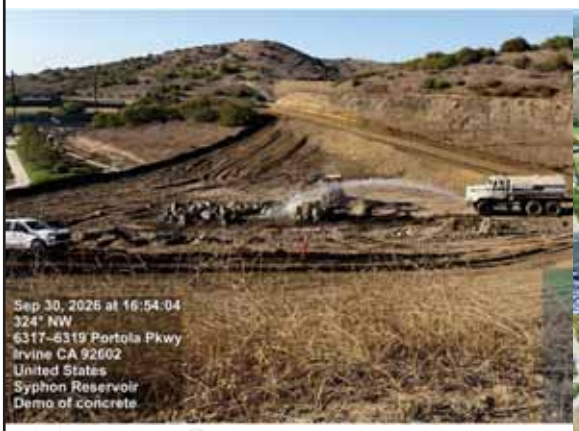
Irvine Ranch Water District

23

23

SEPTEMBER QUARTERLY REPORT

Construction Staging Area





Irvine Ranch Water District

24

24

SEPTEMBER QUARTERLY REPORT



Irvine Ranch Water District

25

25

SEPTEMBER QUARTERLY REPORT



26

SEPTEMBER QUARTERLY REPORT

OCFA Collaboration



Irvine Ranch Water District

27

27

SEPTEMBER QUARTERLY REPORT

UPCOMING CONSTRUCTION ACTIVITIES

Major Field Activities – 4th Quarter 2026

STAGING AREA › CLEARING & GRUBBING › Dam Control Building – Grading, Access & Drainage

Irvine Ranch Water District

28

28

October 22, 2026
Prepared by: S. Choi
Submitted by: K. Burton
Approved by: Paul A. Cook

ENGINEERING AND OPERATIONS COMMITTEE

CALIFORNIA VOLUNTARY PROTECTION PROGRAM APPLICATION UPDATE

SUMMARY:

In early October 2026, staff applied for IRWD's Michelson Operations Center to be considered as a California Voluntary Protection Program (Cal/VPP) designated site. Cal/VPP is a California Occupational Safety & Health Administration (Cal/OSHA) cooperative safety initiative that recognizes employers and workers for implementing an exemplary Health and Safety Management System. Staff will provide a presentation on the Cal/VPP journey and application update at the Committee meeting.

BACKGROUND:

Cal/VPP is a labor-management-government partnership working together to exceed minimal Cal/OSHA standards with the goal to proactively prevent and control occupational safety hazards and provide the best feasible protection for all levels of staff. It is considered the highest level of safety recognition in the State of California.

Six core elements contribute to the Safety Management System, including management commitment, employee involvement, worksite analysis, hazard control, training, and continual improvement. Organizations must implement and demonstrate an effective Safety Management System to be designated as a Cal/VPP site.

The concept of Cal/VPP was developed in California during the construction of the San Onofre nuclear power plant in the 1970s where the California Building Trade Council, the National Constructors Association, and Cal/OSHA worked together to develop the program in an effort to prevent injuries and illnesses. The program, initially named Cooperative Self Inspection Program, was so successful that Federal OSHA later adopted it and renamed it to Voluntary Protection Program in 1982. Currently, there are only 67 sites in California that have been recognized as a Cal/VPP site.

For several years, IRWD has been working to develop a framework for an effective Safety Management System comprised of the six core elements. The start of the journey began with employee, management, and union education and outreach to obtain buy-in and commitment regarding the Cal/VPP program, as well as the implementation of a safety management platform. The safety management platform is used to streamline safety inspections, reporting, tracking corrective actions, and documenting and retrieving data.

Through continuous improvement and the implementation of several safety initiatives throughout the years, a robust Safety Management System has been implemented where employees and management communicate, collaborate, and contribute to a safer working environment.

This has led to:

- A shared goal of a safer workplace that increases morale;
- Partnerships built with employees, management, contractors, and Cal/OSHA;
- An effective Safety Management System leading to a reduction in serious accidents;
- Better safety collaboration and support between management and staff; and
- Increased leadership visibility, specifically on safety matters.

In July 2026, Schulte & Obaugh Consulting was hired by IRWD to conduct a Cal/VPP readiness assessment. At the end of its two-day onsite assessment, the consultant concluded that IRWD has the right culture, people, and processes in place to achieve Cal/VPP status. Based on this, IRWD's Cal/VPP application, which describes in detail how IRWD implements the Safety Management System, was submitted in early October 2026 and is currently under review by the Cal/VPP office. If approved, this will be followed by a multi-day onsite visit by Cal/VPP Special Team Members to validate the Safety Management System and information provided in the application.

Staff will provide a presentation, included as Exhibit "A", on the Cal/VPP journey and application update.

FISCAL IMPACTS:

IRWD's safety programs and the Cal/VPP application process are covered by the annual Operating Budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Cal/VPP Journey and Application Update Presentation

CAL/VPP JOURNEY & APPLICATION UPDATE

ENGINEERING AND OPERATIONS COMMITTEE

OCTOBER 22, 2026

DRAFT

1

1

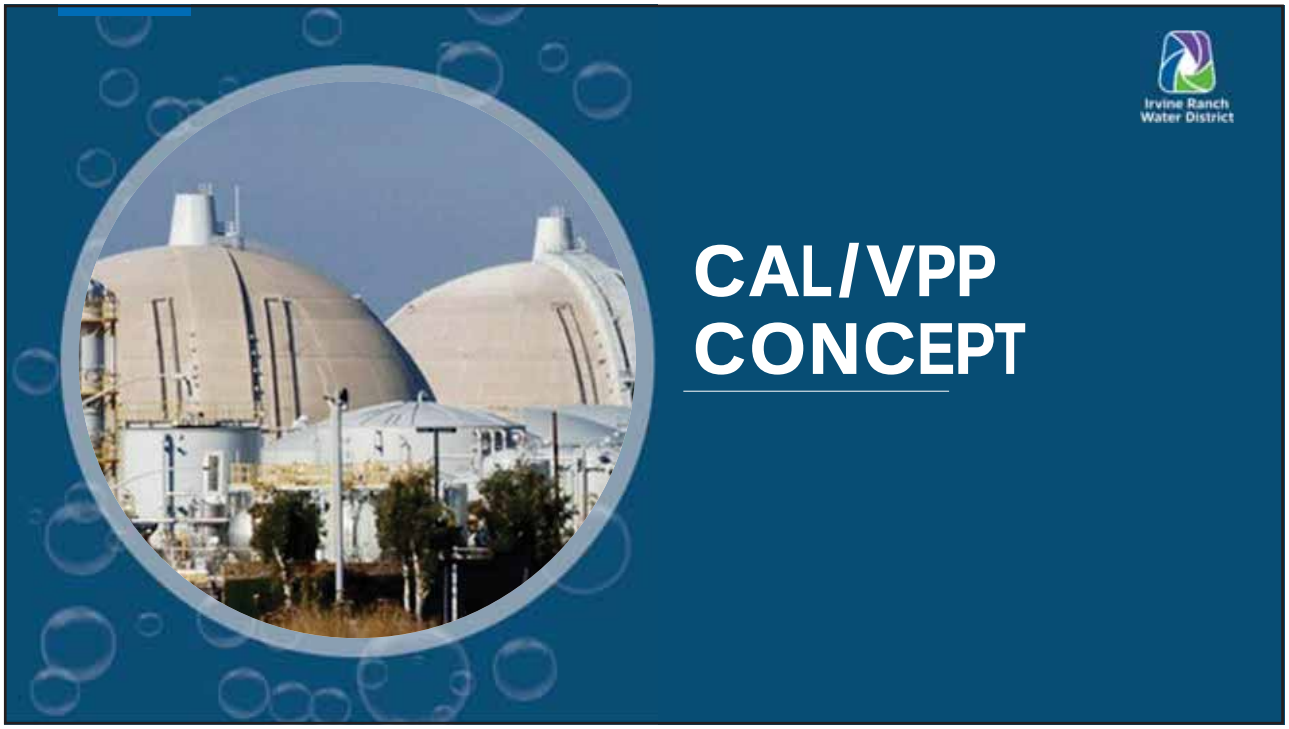
AGENDA

- Cal/VPP Concept
- IRWD Journey
- Readiness Assessment
- Next Steps



2

2

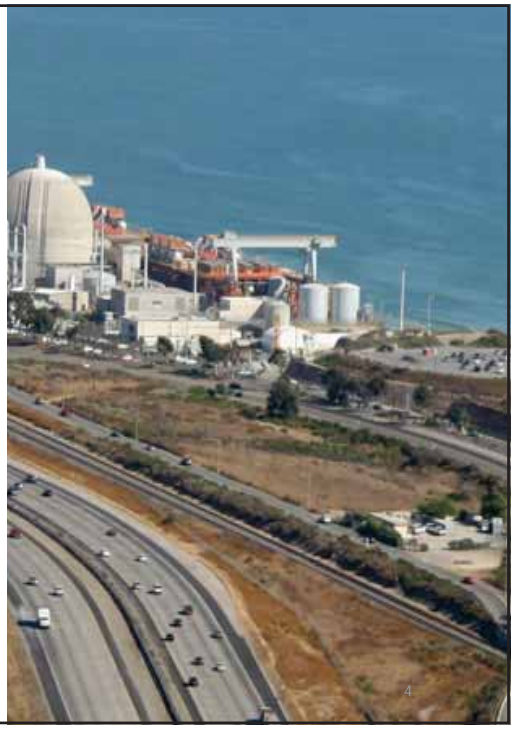


3

The Concept

The Cal/VPP concept was developed during construction of the San Onofre plant in the 1970s and consists of six core elements:

1. Management Commitment
2. Employee Involvement
3. Worksite Analysis
4. Hazard Prevention & Control
5. Training
6. Continual Improvement



4

4

Understanding the Concept

- ✓ **Going above and beyond Cal/OSHA standards**
- ✓ **Establishing an employee-driven safety program**
- ✓ **Creating a positive workplace safety culture**
- ✓ **Developing a systematic approach to workplace safety**
- ✓ **Continuously improving**
- ✓ **Having a cooperative relationship between management, labor, and Cal/OSHA**

Irvine Ranch Water District

5



6

THE JOURNEY

2022

Understand the Cal/VPP Concept
Perform a Gap Assessment
Revamp the Injury & Illness Prevention Program

2023

Implement a Safety Management Platform
Resurrect the Safety Committee
Present the Cal/VPP concept to Senior Staff, employees, and IBEW for buy-in, support, and engagement

2023-2024

Align the Safety Value to encompass safety in every aspect of our culture and organization
Work with the Management Team to establish District-wide safety responsibilities
Setting goals and establishing leading indicators to track

2023-2026

Updating and developing safety programs/procedures
Enhancing the delivery of safety training
Incorporating safety initiatives into Target Goals & Activities
Assessing and auditing safety programs and training for continuous improvement

2026 (July)

Cal/VPP readiness assessment

2026 (October)

Cal/VPP application submittal

Irvine Ranch Water District

7

7



READINESS ASSESSMENT

Irvine Ranch Water District

8

The Assessment

3rd party evaluation incorporating the Cal/VPP checklist to:

- Review site conditions
- Interview employees (50+ interviews conducted)
- Review written health and safety documentation
- Complete the Cal/VPP checklist with site personnel containing:
  - 14 Cal/VPP programs (shown below)
  - 26 Cal/OSHA Safety & Standards
  - Injury Rate Criteria for Eligibility



1. Management
2. Contractor Program
3. Employee Notification
4. Medical Program
5. Industrial Hygiene Program
6. Training
7. Pre-Use Analysis/Management of Change
8. Comprehensive Surveys
9. Accident Investigations
10. Emergency Preparedness
11. Employee Involvement
12. Job Safety Analysis
13. Preventative Maintenance
14. Self-Inspections

9

9

Readiness Review Strengths

Strengths

- The site is very well maintained and has excellent housekeeping
- Very strong safety culture from Labor/Management relations
- Workers feel safe working at the site
- Majority of safety & health programs meet Cal/OSHA requirements
- Strong continuous improvement

Best Practices

- QR code for the following:
  - Confined Space
  - Lockout Tagout/Energy Control Procedures
  - Forklift & Crane Inspections
- BCSP credentialed EHS staff
- Rolling Pipe Supports

10

Readiness Review Summary

Assessment Summary
3 BEST practices
29 Recommendations / Findings
24 Physical Condition Action Items

11

Readiness Review Conclusion

- The Michelson Operations Center has the right culture, people, and processes to achieve Cal/VPP status.
- The majority of the action items are minor in nature and require simple documentation of existing processes or practices already occurring at the site.
- The majority of site condition items noted are minor in nature (e.g., unblock electrical panels, inspection of slings, power tools).

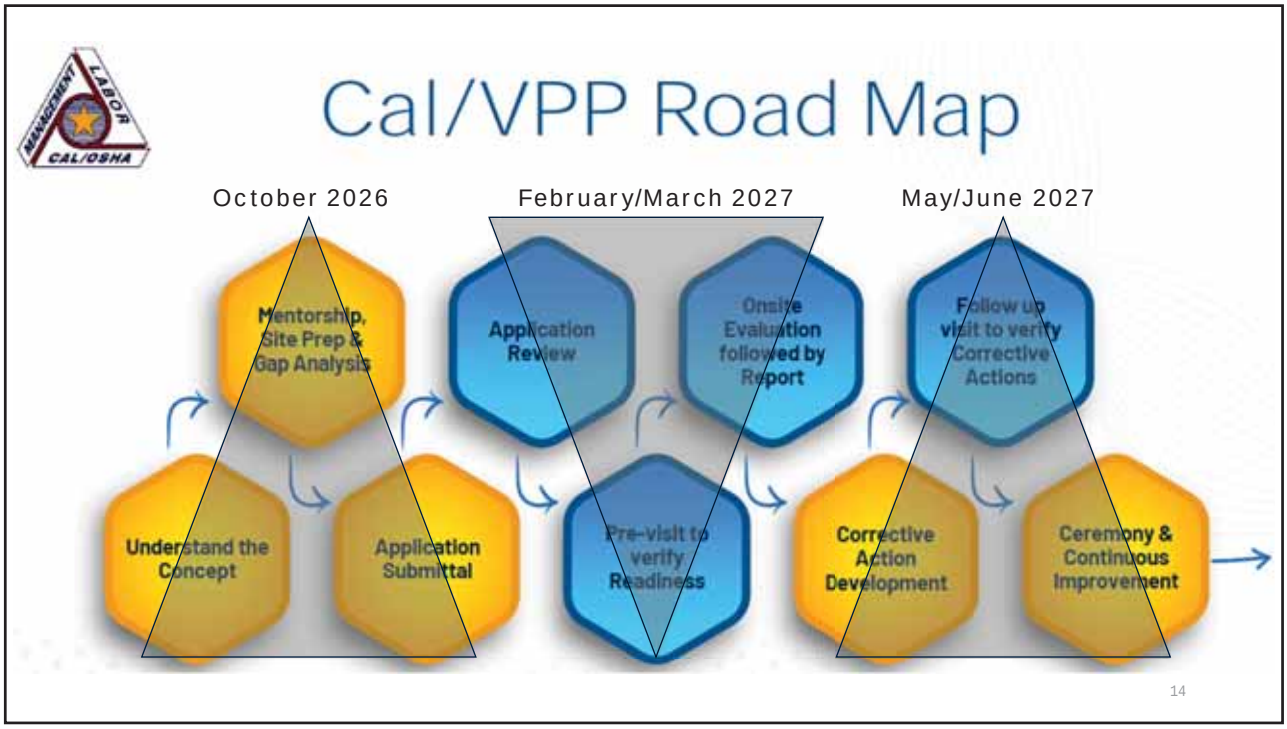
CAL/VPP • STAR WORKSITE
STATE OF CALIFORNIA
PARTNERS IN SAFETY

12

12


Irvine Ranch Water District
NEXT STEPS

13


Cal/VPP Road Map
October 2026
February/March 2027
May/June 2027
Mentorship, Site Prep & Gap Analysis
Application Review
Onsite Evaluation followed by Report
Follow up visit to verify Corrective Actions
Understand the Concept
Application Submittal
Pre-visit to verify Readiness
Corrective Action Development
Ceremony & Continuous Improvement
14

14


Irvine Ranch
Water District
Accountability
Environmental
stewardship
Safety
Integrity and
transparency
Opportunity
QUESTIONS?

15

October 22, 2026
Prepared by: D. Johnson / B. Rios
Submitted by: K. Burton
Approved by: Paul A. Cook

ENGINEERING AND OPERATIONS COMMITTEE

MASTER REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF IRVINE AND IRWD FOR THE INSTALLATION OF MISCELLANOUS FACILITIES

SUMMARY:

The City of Irvine periodically undertakes street improvement projects, most of which require concurrent construction, modification, and/or relocation of IRWD's domestic water, sanitary sewer, and/or recycled water facilities within project limits. Staff recommends that the Board authorize the General Manager to execute a master Reimbursement Agreement between the City and IRWD for the installation of miscellaneous facilities.

BACKGROUND:

City of Irvine Street Rehabilitation and Improvement Projects:

In 2012, the City and IRWD executed a Master Agreement to reimburse work on IRWD facilities related to City street improvement projects. Under the existing Master Reimbursement Agreement, work estimated at less than $100,000 may be reimbursed through addendums to the Master Agreement. For nearly a decade and a half, the City and IRWD have successfully executed dozens of addendums to the agreement to cover various street improvement projects that have benefitted from keeping the street and IRWD facility work with the same contractor, avoiding potential scheduling conflicts and sharing in mobilization costs. For recent projects, rising construction, labor, and materials cost have pushed project costs in excess of $100,000, resulting in the need for standalone Reimbursement Agreements. Both the City and IRWD agree that an update to the Master Agreement limits is necessary.

The proposed Agreement, attached as Exhibit "A", adheres to the same general terms and provisions of the original 2012 Agreement. Several key changes to the terms were made, which are the inclusion of IRWD facility bid items in the base bid rather than as additive bid items, the addition of a design fee for projects where the City prepares engineered plans for IRWD's facilities, and an increase to $200,000 for the provision related to estimated project costs. This aligns with IRWD's procurement policy for the General Manager and will cover most of the periodic street improvement projects that the City undertakes. If a project's original estimated cost was under $200,000 and the actual project cost exceeds $200,000, this Agreement would continue to be utilized for the improvement project. Individual projects where the estimate exceeds $200,000 would be governed by a separate Reimbursement Agreement.

The proposed Agreement has been reviewed and approved by IRWD legal counsel. City staff will be concurrently taking the proposed Agreement to Irvine City Council for approval.

FISCAL IMPACTS:

IRWD installations, modifications, relocations, and adjustments to facilities related to street improvement projects are covered by the General System Replacements/Modifications projects that are included in each fiscal year capital budget.

ENVIRONMENTAL COMPLIANCE:

This project is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15061 (b)(3). The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

RECOMMENDATION:

That the Board authorize the General Manager to execute a Master Reimbursement Agreement between the City of Irvine and IRWD for the installation of miscellaneous facilities.

LIST OF EXHIBITS:

Exhibit "A" – Proposed Master Agreement between City of Irvine and Irvine Ranch Water District for the Installation of Miscellaneous Facilities

MASTER REIMBURSEMENT AGREEMENT BETWEEN IRVINE RANCH WATER DISTRICT AND THE CITY OF IRVINE FOR THE INSTALLATION OF MISCELLANEOUS FACILITIES

This Reimbursement Agreement is dated _____, 20__ ("Effective Date") and is between IRVINE RANCH WATER DISTRICT (“IRWD”), a California Water District formed and existing pursuant to the California Water District Law, and the CITY OF IRVINE, a California municipal corporation and charter City ("City")(each a "Party and collectively the "Parties").

A. City periodically undertakes street improvement projects, a number of which involve concurrent construction, modification or relocation of water, sewer and/or reclaimed water facilities of IRWD in the vicinity of the respective projects.

B. The Parties have determined that, for certain projects that will be mutually designated by the City's and IRWD's staffs, it will be more efficient for City to carry out the design, construction, modification or relocation of the affected water, sewer and/or reclaimed water facilities of IRWD (the infrastructure collectively referred to as the “IRWD Facilities”, and all construction work related thereto referred to as the "Work").

C. The Parties intend to enter into a master reimbursement agreement covering all projects that involve an estimated IRWD Facilities' construction cost of less than $200,000 per project.

D. The construction of IRWD Facilities pursuant to this Agreement will be performed by City at City’s cost, which cost shall be reimbursed to City as provided in this Agreement.

E. All IRWD Facilities shall be the property of IRWD in accordance with the terms and conditions of this Agreement.

The Parties therefore agree as follows:

1. SELECTION OF PROJECTS

1.1 City and IRWD shall, after consultation between their staffs on an as-needed basis, review all proposed City street improvement projects to identify each project that will involve the design, construction, modification and/or relocation of IRWD Facilities for which the estimated construction cost relating to the IRWD Facilities will be less than $200,000 and which the staffs concur will be more efficiently accomplished by the CITY than IRWD. The Parties will identify all such projects subject to mutual approval. City shall prepare cost estimates for this purpose. For each project so identified and the related IRWD Facilities, authorized representatives of City and IRWD shall execute an Addendum in the form of Exhibit “A.” Upon execution, each Addendum shall be incorporated into this Agreement. Each project for which an Addendum is executed shall be deemed a “Project” as used herein.

1.2 A Project and the related IRWD Facilities may be identified at any time so long as the related Addendum is executed prior to the termination of this Agreement.

1.3 A Project and the related IRWD Facilities will be governed by the terms of this Agreement notwithstanding that actual total costs of items set forth in Section 2.6 exceed $200,000 for the Project.

1.4 Any City street improvement project which involves the construction, modification and/or relocation of IRWD Facilities with an estimated construction cost over $200,000 for which the Parties intend to have the IRWD Facilities constructed on a reimbursable basis shall be subject to a separate agreement.

1.5 This Agreement shall not alter any other obligations which may exist between the Parties relating to the allocation of costs for particular IRWD Facilities, such as easement rights. Costs for which any entity other than IRWD is responsible will not be considered within the estimates of costs for the purposes of selecting Projects identified under this Section 1.

2. CONSTRUCTION AND REIMBURSEMENT

2.1 The provisions of Section 1 shall apply separately to each individual Project included within this Agreement.

2.2 City shall complete the construction portion of the Work pursuant to project plans and specifications ("Plans and Specifications") prepared by City's design engineer. City shall prepare the Plans and Specifications in conformance with the applicable portions of IRWD's latest editions of the Construction Manual for the Construction of Water, Sewer, and Reclaimed Water Facilities (the “Construction Manual”), and the Procedural Guidelines and General Design Requirements (the "Procedural Guidelines"). Prior to the commencement of the Plans and Specifications, City shall submit its design engineer's proposed improvement plans for the IRWD Facilities to IRWD. IRWD will have a period of five calendar days from its receipt of such design proposal to review and either indicate its approval or request changes. City's design engineer shall review and respond to any requested changes. . The Plans and Specifications for a Project shall be incorporated by into the Addendum for that Project. IRWD shall cooperate with City with respect to the construction and schedule for completion of IRWD Facilities.

2.3 The construction of IRWD FACILITIES shall be included in City's proposed Project plans, and the IRWD Facilities shall be separate bid items in the base bid. After City opens bids for the Project, City shall submit a copy of the original bid proposals received for the IRWD Facilities for IRWD's notice. The total estimated construction cost for IRWD Facilities shall be as set forth in the Addendum, but the amount to be reimbursed by IRWD shall be based on the actual construction costs incurred for the Project (as set forth in Section 2). Upon receiving the Addendum from the City, IRWD shall sign the Addendum within ten (10) working days of receipt. Upon transmitting a Notice to Proceed to the Contractor, City shall provide IRWD with one original copy of the fully executed contract documents and one copy of each of the bid forms.

2.4 City shall promptly furnish IRWD with copies of proposed change orders to any Project contract no later than five working days after City has been notified of changed conditions to the Project. Change orders shall be subject to IRWD's approval if the proposed change order affects any of the IRWD Facilities. IRWD shall review and respond to any change order affecting the IRWD Facilities no later than ten working days after receiving a copy of the proposed change order..

2.5 If the City requests any revision to the Plans and Specifications during the design and construction of improvements that would increase the cost of a Project, City shall bear any such increased costs except for such revisions and costs that are determined necessary to construct IRWD Facilities in accordance with the Plans and Specifications that the City could not have reasonably foreseen at the time bids were received. IRWD shall reimburse City for the cost of any revisions requested by IRWD as provided in this Agreement.

2.6 IRWD shall receive each month an invoice for the portion of a construction progress payment attributable to IRWD Facilities for the previous month together with supporting documentation. If the invoice is properly supported as required by this Agreement, IRWD shall pay the amount of the invoice to City no later than 30 days after receiving the invoice.. City shall maintain records segregating the costs for all bid item and change order amounts expended by City relating to the IRWD Facilities. IRWD shall accept the IRWD Facilities when a Project that includes IRWD Facilities, has been completed as provided in the approved Plans and Specifications, including any change orders approved by IRWD as provided in Section 2.4 of this Agreement and accepted by City. No later than 60 days after City's final acceptance of the Project, City shall prepare and submit to IRWD a final accounting (the "Final Accounting") of the actual cost of the bid items and change order amounts attributable to the IRWD Facilities, plus an administration fee equal to seven (7%) of the actual cost of the bid items and change order amounts attributable to the IRWD Facilities. The administration fee shall cover costs of all items associated with surveying, compaction testing, permits, construction inspection, administration, accounting, and reproductions attributable to the IRWD Facilities ("Costs"). A separate design fee shall apply to projects where Plans have been prepared that include IRWD Facilities and shall include the total amount attributable to the IRWD Facilities based on the actual cost of design. The City shall submit to IRWD, along with the Final Accounting, all receipts and other documentation that supports the Final Accounting. All legal costs attributable to IRWD Facilities will be invoiced in addition to Costs. IRWD shall pay to City, no later than 30 days after receipt of a Final Accounting complying with the requirements of this Section 2.6, the total amount of Costs and any other expenses which this Agreement requires IRWD to pay to City, less any amounts previously paid by IRWD for progress payment invoices. If the amount previously paid by IRWD for such invoices exceeds the Costs as determined in the Final Accounting, City shall refund the difference to IRWD no later than 30 days after IRWD's receipt of the Final Accounting.

2.7 IRWD shall have sole and absolute discretion as to all aspects of the design and inspection of the IRWD Facilities, and IRWD shall be entitled to inspect the construction of IRWD Facilities as it deems necessary to assure compliance with the Plans and Specifications, including shop drawing review and material inspection. IRWD will have access to all phases of each Project for the purpose of those inspections, but all questions regarding the Project will be directed to City's resident engineer or its designee. IRWD will promptly notify

City of any portion of the work on IRWD Facilities which appears not to conform to the Plans and Specifications. IRWD's determination as to the conformity of IRWD Facilities with the Plans and Specifications will be made in IRWD's sole and absolute discretion. IRWD will not unreasonably withhold its approval as to the conformity of the work with the Plans and Specifications. City shall require its contractor to construct the IRWD Facilities so that the IRWD Facilities conform to the Plans and Specifications. City shall assume full responsibility for certifying or obtaining certification of the compaction of backfill material over the IRWD Facilities.

2.8 Upon the completion and IRWD's acceptance of the IRWD Facilities, if contractor has provided a redlined set of "record" drawings (showing all revisions, manufacturers and types of valves, pipe and fittings as required by IRWD), City shall provide IRWD with one copy of such record drawings. City shall also provide IRWD with one copy of the compaction reports and certificate, and survey notes and cut sheets.

2.9 Notwithstanding the fact that City shall accomplish the design and/or construction of the IRWD Facilities subject to reimbursement, the IRWD Facilities, together with the necessary franchises, licenses, easements, rights-of-way, and other privileges, will at all times be subject to the applicable rates, rules and regulations of IRWD, as modified or amended from time to time. City hereby disclaims any interest in IRWD Facilities and hereby transfers and assigns to IRWD any and all right, title, and interest it may have in the IRWD Facilities upon their completion after acceptance in writing by IRWD. IRWD shall own, operate and maintain the IRWD Facilities following their acceptance.

2.10 City shall, pursuant to the requirements of the Plans and Specifications, cause any contractor for the IRWD Facilities to guarantee the IRWD Facilities against defects in workmanship and materials for a period of one year from the date of acceptance by City, which acceptance shall be given only after acceptance by IRWD as provided in Section 2.6. City shall cause the IRWD Facilities to be brought or restored to full compliance with the requirements of the Plans and Specifications, including any test requirements, for any portion of the IRWD Facilities that during the one-year period are found not to be in conformance with the provisions of the Plans and Specifications. This guarantee is in addition to any and all other warranties, express or implied, from City's contractors or material manufacturers with respect to the IRWD Facilities. The guarantee and obligations under this section will not be relieved by IRWD's inspection and approval of the IRWD Facilities. This section sets forth the entire guarantee and warranty of City with respect to the IRWD Facilities. The express or implied warranties of other persons with respect to the IRWD Facilities will not be limited by the guarantee and warranty of the City contained in this section. If requested by IRWD, City shall assign to IRWD the contractor's guarantee and/or any other guarantees or warranties relating to the IRWD Facilities.

2.11 City shall indemnify, defend and hold IRWD, its officers, agents, and employees harmless from any expense, liability or claim for death, injury, loss, damage or expense to persons or property which may arise or is claimed to have arisen during construction of the IRWD Facilities as a result of any act or omission of City or on behalf of CITY or its agents, employees, or contractors, save and except to the extent such expense, liability or claim is proximately caused in whole or in part by any act, omission, or negligence of IRWD, its

officers, agents, employees or engineers or by any act or omission for which IRWD, its officers, agents employees, or engineers are liable without fault.

2.12 IRWD shall indemnify, defend and hold City, its officers, agents, and employees, harmless from any expense, liability or claim for death, injury, loss, damage or expense to persons or property which may arise or is claimed to have arisen either (i) as a result of any act performed by IRWD, or its officers, agents, employees, or engineers with respect to the IRWD Facilities; or (ii) following IRWD acceptance of the IRWD Facilities, with respect to maintenance and operation of the IRWD Facilities, save and except to the extent such expense, liability or claim is proximately caused in whole or in part by any negligence or willful misconduct of City, its officers, agents, employees, or contractors, or by any act or omission for which City, its officers, agents, employees, or engineers are liable without fault.

2.13 City shall cause its contractors to provide performance and payment bonds for the construction of the Project including the Work and to obtain insurance coverage sufficiently broad to insure the matters set forth in this Agreement and to include IRWD, its officers, agents, employees, and engineers as additional insureds on all insurance policies that City requires its contractors to provide. As evidence of such insurance coverage, City shall, prior to the commencement of construction of the Work, provide IRWD with certificates of insurance and insurance endorsements from City's contractor(s) in the same form provided to City under the contract for the Work.

2.14 Either Party may, by providing no less than five business days' prior written notice to the other Party, terminate any Addendum and thereby delete the respective Project from this Agreement except as noted in Section 2.3 with respect to unapproved bids, upon written notice to the other Party subject to the provisions of this section. If, at the request or direction of a party other than City, construction of the IRWD Facilities is not accomplished or completed, IRWD shall remain obligated for the actual amount of any Costs incurred by City to the date of termination and for any and all Costs necessary to put any work that has already commenced on the IRWD Facilities as of the date of termination in a form that will allow for the safe completion of the Project.

3. MISCELLANEOUS

3.1 Any notice or other written instrument required or permitted by this Agreement to be given to either Party shall be deemed received when personally served or 24 hours after being deposited in the U.S. Mail, postage prepaid, registered or certified, return receipt requested and addressed as follows:

IRWD:

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618-3102
Attn: General Manager

CITY:

City of Irvine
P.O. Box 19575
Irvine, CA 92623-9575
Attn: Director of Public Works and Sustainability

3.2 This Agreement shall be binding upon and inure to the benefit of the successors and assigns of City and IRWD. This Agreement constitutes the entire Agreement between City and IRWD and supersedes all prior understandings and Agreements between the parties with respect to the subject hereof. This Agreement may be modified only in a writing signed by both Parties.

3.3 In the event of any declaratory or other legal or equitable action instituted between City and IRWD in connection with or related to this Agreement, the prevailing Party shall be entitled to recover from the losing party its reasonable costs and expenses, including court costs and reasonable attorneys' fees.

3.4 Except as specifically provided otherwise under this Agreement, any approval required to be given by either Party pursuant to this Agreement shall be deemed given if no response to the Party's request for such approval is received by the requesting Party within ten working days following the written request for such approval.

3.5 Either party may terminate this Agreement by giving the other party 60 days' prior written notice. This Agreement shall continue in effect until either Party exercises its right to terminate.

3.6 In the event of the termination of this Agreement, the provisions of Section 2 and this Section 3 of this Agreement shall survive and remain in effect with respect to any Project until the completion of construction and reimbursement of the Costs and any other expenses which IRWD is obligated by this Agreement to pay to City for the related IRWD Facilities. The provisions of Sections 3.2 and 3.3 shall survive the termination of this Agreement or the applicable Addendum.

3.7 The persons executing this Agreement on behalf of each Party warrant that they are duly authorized to execute and deliver this Agreement on behalf of the respective party for whom they sign, and that by executing this Agreement, each party is bound by the provisions of this Agreement.

3.8 If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

3.9 This Agreement shall be construed and enforced in accordance with the laws of the State of California.

3.10 The waiver of any provision of this Agreement by either Party shall not be deemed a waiver of any other provision or of any preceding or subsequent breach.

[SIGNATURES ON FOLLOWING PAGE]

The Parties are signing this Agreement to be effective as of the Effective Date.

IRVINE RANCH WATER DISTRICT

By: _____ Dated: _____
Paul Cook, General Manager

ATTEST:

By: _____ Dated: _____
Secretary/Assistant/Secretary

APPROVED AS TO FORM:
Hanson Bridgett LLP

By: _____ for Dated: 10/07/2026
Claire Collins, General Counsel

CITY OF IRVINE

By: _____ Dated: _____
Sean Joyce
City Manager

ATTEST:

By: _____ Dated: _____

APPROVED AS TO FORM:

By: _____ Dated: _____

EXHIBIT A
[Form of Addendum]

ADDENDUM
NO. ____
TO

MASTER REIMBURSEMENT AGREEMENT BETWEEN
IRVINE RANCH WATER DISTRICT AND THE CITY OF IRVINE
FOR THE INSTALLATION OF MISCELLANEOUS FACILITIES

By execution of this Addendum, the parties agree that the following Project has been identified pursuant to Section **1** of the Agreement dated _____, 20__, entitled "MASTER REIMBURSEMENT AGREEMENT BETWEEN IRVINE RANCH WATER DISTRICT AND THE CITY OF IRVINE FOR THE INSTALLATION OF MISCELLANEOUS FACILITIES" (the "Agreement") and that such Project and the below-specified IRWD Facilities shall be covered and governed by the terms of the Agreement.

Project: _____
_____
_____
(depicted on Exhibit "1" attached to and incorporated in this Addendum).

IRWD Facilities (type, diameter, approximate linear feet, PR Nos., etc.): _____
_____
_____

(depicted on the plans and specifications attached to this Addendum as Exhibit 2 and incorporated by reference herein).

Estimated cost of IRWD FACILITIES: $_____

The Parties are signing this Addendum to be effective as of _____.

IRVINE RANCH WATER DISTRICT

By _____ Date _____
General Manager

CITY OF IRVINE

By _____ Date _____
Project Manager

Note: This page is intentionally left blank.

October 22, 2026
Prepared by: M. Robinson / E. Akiyoshi
Submitted by: K. Burton
Approved by: Paul A. Cook

ENGINEERING AND OPERATIONS COMMITTEE

DYER ROAD WELL FIELD PIPELINE CONDITION ASSESSMENT AND CATHODIC PROTECTION SYSTEM IMPROVEMENTS CONSULTANT SELECTION

SUMMARY:

This project will complete the initial phase for screening condition assessments and cathodic protection (CP) system evaluation for the Dyer Road Well Field (DRWF) pipeline. Staff solicited proposals from six consultants to provide engineering services for the project. Staff recommends that the Board authorize the General Manager to execute a Professional Services Agreement with HDR in the amount of $374,777 for engineering services for the DRWF Pipeline Condition Assessment and CP System Improvements project.

BACKGROUND:

The DRWF potable water pipeline supplies ground water and consists of a well collector mainline with several well laterals traversing the cities of Santa Ana, Tustin, and Irvine. The DRWF Pipeline was constructed between 1984 and 2001 and includes approximately 11.7 miles of mortar lined and coated welded steel and pretensioned concrete cylinder pipe that varies from 16 to 54 inches in diameter. A project location map is included as Exhibit “A”.

The DRWF Pipeline mainline and laterals are protected by an impressed current cathodic protection system installed in 1995 and 1998. The CP system performance has been intermittent in recent years, requiring frequent troubleshooting of its aging rectifiers. Previous assessments include a corrosion study carried out in 1991 followed by annual CP surveys. The 1991 corrosion survey indicated the soil conditions along the pipeline were severely corrosive and that the pipeline showed signs of active corrosion, ultimately recommending the installation of the existing CP system. Although some assessments have been performed, the DRWF Pipeline condition has not been comprehensively evaluated since 1991.

In 2024, IRWD developed a Pressure Pipe Risk Model where the DRWF Pipeline was identified as one of IRWD’s top three critical pipelines. Given the overall extent of the pipeline, a multi-phase condition assessment approach will be beneficial. The proposed assessment will consist of an initial phase for screening condition assessments. Subsequent phases will include design, construction, and detailed inspection. This multi-phase approach reduces uncertainty and allows IRWD to make confident decisions about corrosion control, maintenance, rehabilitation, and capital investment. This initial phase will assess the potential for metal and concrete deterioration along the pipeline, measure corrosion activity and gauge the effectiveness of the existing CP system, identify items to be repaired or replaced, specify the requirements and design criteria for the recommended CP system improvements, and determine the recommended detailed inspection approach.

Consultant Selection:

On August 10, 2026, IRWD issued a Request for Proposals for engineering services to six consultants: Carollo Engineers, Farwest Corrosion, Hazen Sawyer, HDR, Michael Baker International, and V&A Consulting Engineers. On September 21, staff received proposals from two consultants: HDR and V&A Consulting Engineers.

While both proposals met the project objectives and presented qualified teams, HDR presented a well-balanced team, an excellent project understanding, and clear project approach. HDR emphasized a data layering approach that uses complementary test methods and connects all findings into a clear, prioritized roadmap to maintain near- and long-term reliability, strengthen corrosion protection, prepare the pipeline for future assessment, and make well-timed capital decisions. Deliberate data management and visualization are critical for completing the work and supporting decision-making throughout the various phases of the planned condition assessments. HDR's approach allows IRWD to evaluate internal and external methods and to direct inspection funds where they will most improve decisions.

Based on the overall value of HDR's proposal, staff recommends awarding a Professional Services Agreement to HDR in the amount of $374,777. The consultant selection matrix is provided in Exhibit "B", and HDR's proposal is provided in Exhibit "C".

FISCAL IMPACTS:

DRWF Pipeline Condition Assessment and CP System Improvements, Project 12518, is included in the Fiscal Year 2026-27 Capital Budget. The existing budget is sufficient to fund this phase of the project.

ENVIRONMENTAL COMPLIANCE:

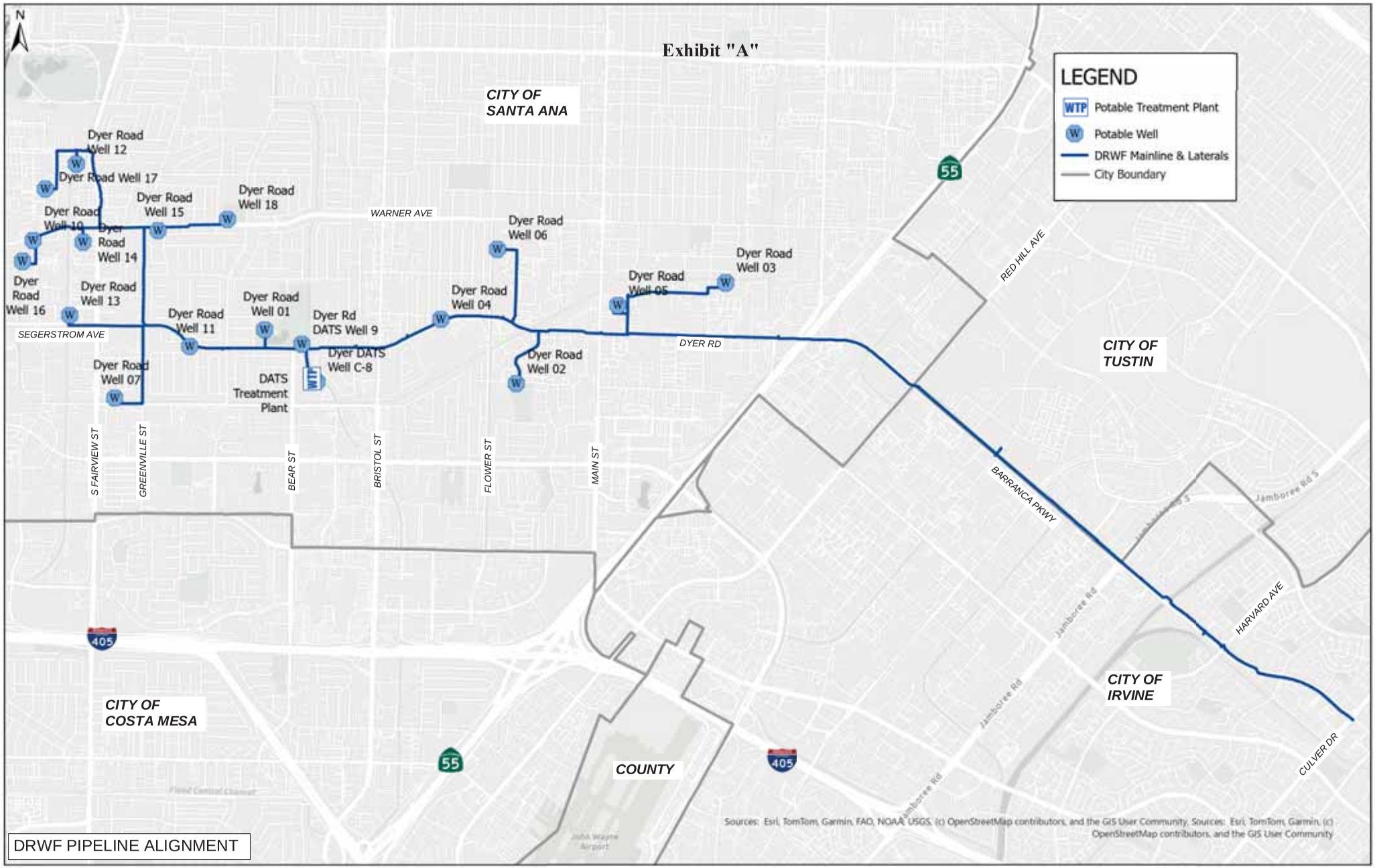
This project is exempt from California Environmental Quality Act as authorized under the California Code of Regulations, Title 14, Division 6, Chapter 3, Article 19, Sections 15301 (Class 1 Existing Facilities") and Section 15302 (Class 2 "Replacement or Reconstruction").

RECOMMENDATION:

That the Board authorize the General Manager to execute a Professional Services Agreement with HDR in the amount of $374,777 for engineering services for the Dyer Road Well Field Pipeline Condition Assessment and Cathodic Protection System Improvements, Project 12518.

LIST OF EXHIBITS:

Exhibit "A" – Location Map
Exhibit "B" – Consultant Selection Matrix
Exhibit "C" – HDR Proposal and Fee



DRWF PIPELINE ALIGNMENT

Note: This page is intentionally left blank.

Exhibit "B"

CONSULTANT EVALUATION MATRIX

DRWF Condition Assessment & CP System Improvements

Item	Description	Weights	V&A		HDR	
A	TECHNICAL APPROACH					
1	Scope of Work	20%	1		2	
2	Project Understanding and Approach	20%	2		1	
3	Team Qualifications and Experience	30%	2		1	
4	Related Project Experience	30%	2		1	
	Weighted Score	*100%*	*1.80*		*1.20*	
	Ranking of Consultants		**2**		**1**	
B	SCOPE OF WORK					
TASK			Task Hours	FEE	Task Hours	FEE
1	TASK 1 - Project Management		107	$25,720	192	$54,619
2	TASK 2 - Preliminary Design					
	TASK 2A - Desktop Study		20	$4,632	61	$17,100
	TASK 2B - Design Phase Field Assessment Plan		30	$6,688	20	$4,702
	TASK 2C - Design Phase Condition Assessment		527	$206,133	785	$234,106
	TASK 2D - CP System Improvements Workshop		22	$5,942	56	$12,240
	TASK 2E - Detailed Inspection Alternatives Analysis		57	$13,639	61	$19,849
	TASK 2F - Preliminary Design Report		236	$51,278	121	$32,161
	SUB-TOTAL ENGINEERING SERVICES, FEE		**999**	**$314,032**	**1,296**	**$374,777**
	Optional Tasks					
	TASK 2C.3 - Optional Leak Detection		65	$59,394	0	$0
	TOTAL ENGINEERING SERVICES, FEE		**1,064**	**$373,426**	**1,296**	**$374,777**
	Avg $/hr			$314		$289
C	OTHER					
	Miscellaneous Items					
	Multiplier		-		-	
	Conflict of Interest		No		No	
	Joint Venture		No Subconsultants: Roadway Construction Services, M.E. Simpson Company, Inc.		No Subconsultants: Right of Way, Inc., B&K Valves and Equipment	
	Addendum Acknowledgement		N/A		N/A	
	Scope of Work Exclusions		No		No	
	Exceptions taken to IRWD Std. Contract		No		No	
	Public Work Requirement		DIR # Provided		DIR # Provided	
	Insurance (Professional & General Liability)		Yes, Certs Provided		Yes, Certs Provided	

Note: This page is intentionally left blank.



Irvine Ranch Water District

PROPOSAL FOR

Engineering Services for the Dyer Road Well Field Pipeline Condition Assessment and Cathodic Protection System Improvements

September 21, 2026

HDR





Table of Contents

A

COVER LETTER
PAGE i

B

1. SCOPE
PAGE 01

C

2. UNDERSTANDING AND APPROACH
PAGE 07

D

3. TEAM QUALIFICATIONS AND EXPERIENCE
PAGE 09

E

4. RELATED PROJECT EXPERIENCE
PAGE 11

F

5. SCHEDULE
PAGE 12

G

6. LEVEL OF EFFORT AND ESTIMATE FEE
PAGE 13

H

7. JOINT VENTURE, CONFLICT OF INTEREST, PUBLIC WORK REQUIREMENT & CONTRACT
PAGE 14

I

8. INSURANCE
PAGE 15

J

APPENDIX A: RESUMES
PAGE A-1



September 21, 2026

Irvine Ranch Water District(IRWD)
Lucy Jaramillo, NACE CP-2, CIP-1, Project Manager
15600 Sand Canyon Avenue, Irvine, CA 92618

RE: PR12518 - Engineering Services for the Dyer Road Well Field Pipeline Condition Assessment and Cathodic Protection System Improvements

Dear Ms. Jaramillo,

HDR has worked with Irvine Ranch Water District on a range of water infrastructure projects, including capital improvement and asset management programs, and has performed baseline and polarized potential surveys for many of the District's pipelines. We understand IRWD's need for a qualified team to conduct a condition assessment and cathodic protection (CP) system evaluation for the Dyer Road Well Field (DRWF) Pipeline, **a critical 11.7-mile system that has served the District for more than four decades.** HDR is well qualified to deliver these services through our Southern California-based team, supported by nationally recognized pipeline condition assessment and corrosion specialists, and is committed to providing actionable results that position IRWD for a successful future inspection and rehabilitation program.

Our team, located in Irvine, Rancho Cucamonga, and San Diego, brings direct familiarity with IRWD's safety standards and operational requirements. Principal-in-Charge **Gregorio Estrada, PE,** and Project Manager **Marc Wegner, PE, AMPP CP-4, are both based locally and available for immediate engagement.**

Technical Advisors **Brien Clark, PE, AMPP CP-4, and Dan Ellison, PE,** bring extensive corrosion and CP experience on IRWD and regional water authority projects, including as-needed corrosion engineering services for the San Diego County Water Authority (SDCWA) and the Long Beach Unified District (LBUD) Water Transfer Study.

Field Inspection Lead **Steven Pierce, PE, SPRAT II, AMPP CP-2, AMPP CIP1,** and Inspection Alternatives Analysis leads **Dave Spencer, PE, and Allison Ribachonek, PE, PACP,** round out a team with proven experience on large-diameter transmission pipeline assessments throughout Southern California.

HDR offers IRWD the following advantages:

- ✓ **Proven IRWD experience and local presence.** Our team has completed prior work for the District without safety incidents and is familiar with IRWD's operational protocols, safety standards, and pipeline infrastructure. Our Southern California offices in Irvine, Rancho Cucamonga, and San Diego allow us to mobilize rapidly for field assessments, workshops, and coordination meetings throughout the project. Our commitment to safety is reflected in an Experience Modification Rate (EMR) 39% lower than the national average, and our Quality Management System, based on ISO 9001:2008 standards, is applied to every deliverable to confirm that IRWD receives reliable, well-documented results.
- ✓ **Industry-leading three-method soil corrosivity approach and specialized field capabilities.** HDR pioneered the use of three complementary methods, electromagnetic conductivity survey, Wenner 4-pin survey, and soil sampling with laboratory analysis, to characterize soil corrosivity along a pipeline alignment. With more than 2,500 miles of electromagnetic conductivity surveys completed, our team brings a depth of field experience that translates directly to reliable, defensible results. Complementing this, **Steve Carpenter** of B&K Valves and Equipment brings more than 30 years of experience and has supervised maintenance for over 5,000 valves, including programs for SDCWA, providing hands-on knowledge of large-diameter valve operation and condition for the assessment of valves along the DRWF alignment.

hdrinc.com

3220 El Camino Real, Suite 200, Irvine, California 92602
T 714.730.2300 **F** 949.403.8234

- ✓ **Actionable leak detection grounded in physics, not assumptions.** HDR's leak detection approach goes beyond standard external acoustic methods. **Christopher Aronitz, PE, PMP,** our Leak Detection lead, has developed and deployed both external and in-line detection technologies on pipelines worldwide, including high-pressure, high-flow insertion and extraction programs on large-diameter systems. For the DRWF Pipeline, **we will present IRWD with a clear comparison of external and in-line options so the District can make an informed decision, with our recommendation grounded in the acoustic characteristics of the 54-inch Dyer Road Well Field Pipeline segments.**
- ✓ **Practical inspection alternatives analysis tailored to DRWF.** Rather than recommending a single technology for the entire alignment, our team will evaluate inspection options tailored to the DRWF Pipeline's materials, diameters, and operational constraints. Our goal is to give IRWD a clear, prioritized roadmap for future detailed inspection phases that balances data quality, operational impact, and cost, delivering a preliminary design report that provides the confidence and clarity needed to move forward with future rehabilitation investments.

We look forward to the opportunity to work with you on this important project. Should you have any questions, please contact Marc Wegner at 909.962.5491 or marc.wegner@hdrinc.com. We appreciate your consideration and look forward to hearing from you.

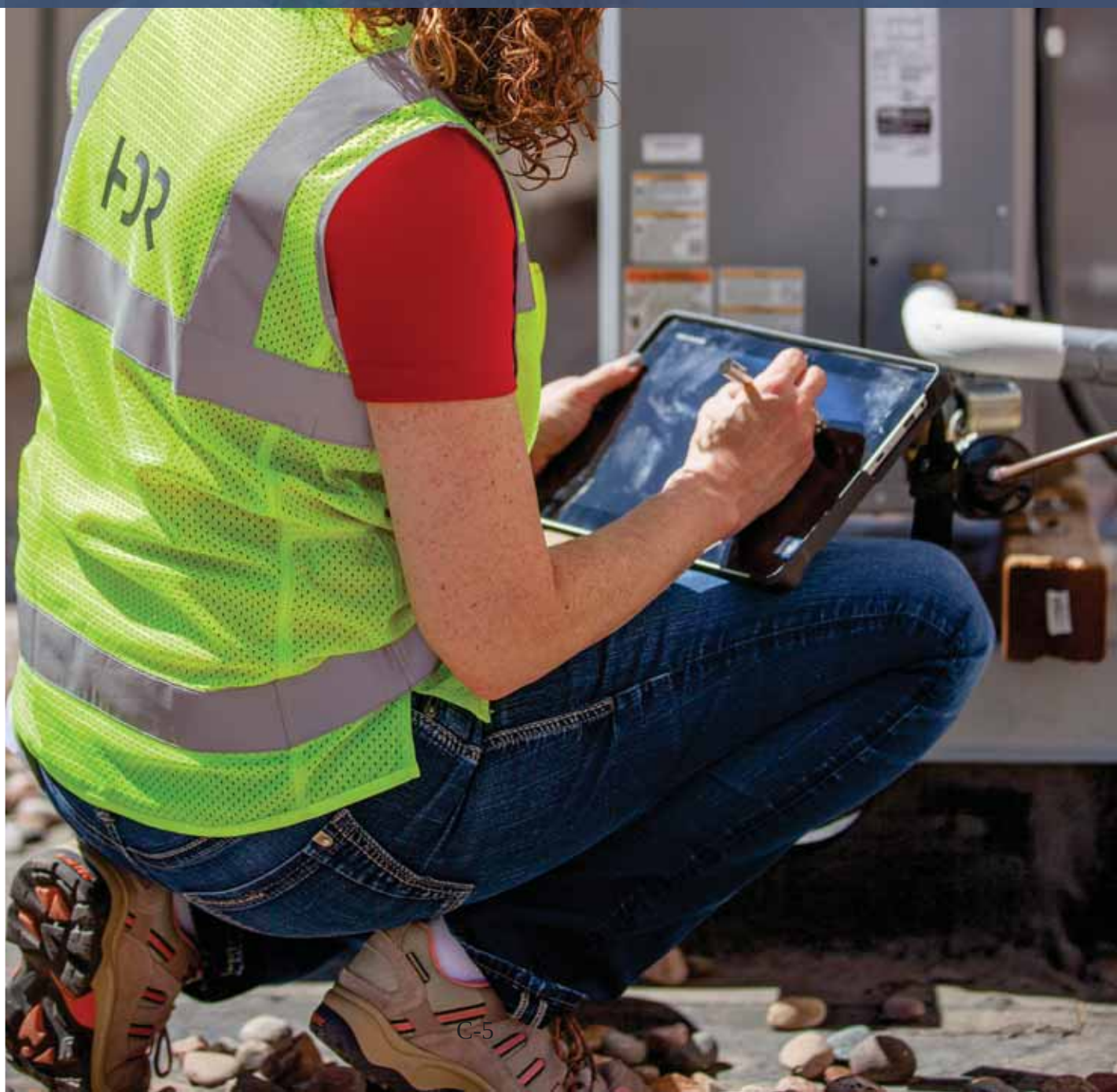
Sincerely,
HDR Engineering, Inc.

Anna Lantin, PE
Sr. Vice President / Authorized Signatory

Marc Wegner, PE, AMPP CP-4
Project Manager

Section 1

Scope



PROJECT MANAGEMENT APPROACH

A. Preparation of Project Status Reports

HDR will prepare monthly status reports that will be submitted on the first day of the month and shall consist of a summary of the activities completed the previous month, the activities planned for the upcoming month, and critical decisions that need to be made. Each status report shall be submitted along with the billing invoice for that month, shall summarize the work completed and review work status relative to budget and schedule. The project schedule shall also be updated on a quarterly basis for inclusion in the quarterly status report.

B. Meetings

HDR understands that the unique scope and schedule of this project will require a strong understanding of expectations and response time to meet the project deadlines. HDR will facilitate an in-person project kickoff meeting to discuss project deliverables format, verify deliverable deadlines, and establish project expectations. HDR will organize and host virtual meetings as required throughout the project for coordination with the District. This will include coordination meetings and meetings that correlate with the following key project milestones:

- Design Phase Field Assessment Planning
- Cathodic Protection System Improvements Workshop
- Field Assessment Data Submittal
- Draft Preliminary Design Report Submittal
- Final Preliminary Design Report Submittal

Prior to these meetings, HDR will prepare an agenda and submit it to IRWD five working days prior to the meeting for review and concurrence. Within five working days following the meeting, HDR will submit draft meeting minutes for IRWD review. Comments and revisions will be incorporated, and final minutes will be submitted.

C. Quality Assurance / Quality Control

We share the District's commitment to high-quality work products through implementation of a robust quality control program. It is our policy to consistently provide professional services that satisfy certified corrosion industry standards that meet or exceed your expectations. To achieve quality in our work, we have developed a Quality Management System (QMS) based on the fundamental principles and guidelines set forth by the ISO 9001:2008 series of international standards for quality management.

Our QMS provides an important framework for ensuring that we are reaching the highest levels of quality— both for you and for ourselves. We remain focused on continual opportunities for improvement throughout our daily activities to achieve client satisfaction and meet performance expectations. The QMS includes programs, policies, and business processes, and has four key elements:

- **Management Responsibility.** Management actively promotes quality in our business activities and defines responsibilities for maintaining our focus on quality.
- **Resource Management.** Resources are trained, available, and committed to providing quality services.
- **Professional Service Delivery.** Processes and procedures are in place that promote quality in the delivery of our products and services.
- **Measurement, Analysis, and Improvement.** Continual improvement is achieved through performance measurement and identification of areas for improvement.

Every task that HDR undertakes is reviewed from start to finish for quality, under the direction of our QA/QC Leads, **Brien Clark** and **Dan Ellison**. Our proposed team will conform to HDR's QMS, which is initiated with a thorough review of the technical approach and assigned resources at the beginning of the project and is followed throughout the life of the project. Furthermore, we will monitor budget and schedule, assess deviations early, develop corrective actions as needed, and maintain regular, transparent communication.

D. Safety

Nothing is more important to us than the health and safety of our employees and partners. This is reflected in how we live and work in offices and on projects across the globe. Safety is an embedded part of our culture and a consistent emphasis on every project. Our goal is always that everyone associated with our projects goes home safe.

We support and grow our safety culture through a comprehensive health and safety program that has received national recognition for excellence. This program includes extensive mandatory safety training for all employees and is supported by a team of certified safety professionals. Our safety professionals help project teams navigate the sometimes complex web of local and national health and safety regulations.

We understand that no project is the same and develop custom-fit safety plans to address each project's unique needs. Our safety approach focuses on client requirements, avoids accidents that could result in injuries and unplanned delays, and reduces client's overall project risk. **We are familiar with the District's safety standards and expectations and have worked with you in the past on the aforementioned projects without any incidents.**

Our people-centered safety culture sets us apart from our competitors and has enabled us to maintain one of the best safety records in the industry. **In 2026, HDR's Experience Modification Rate (EMR) was 0.61, which is 39% lower than the national average. Our OSHA recordable incident and lost time injury rates are consistently lower than the industry average for our NAICS code** (5413 - Architectural, Engineering, and Related Services).

PRELIMINARY DESIGN

A. Desktop Study

It is crucial that the pipeline is well understood before any testing is conducted. HDR's approach is to perform a thorough record review first. Pipeline materials, coatings, station equations, laterals, appurtenances, joint bonding, electrical isolation, test stations, surface conditions, and many other factors gleaned from the document review all play a role in how field work is planned and executed. These critical first-steps shape how the testing will be performed, how the resulting data will be analyzed, and ultimately how the conclusions and recommendations will be presented.

B. Design Phase Field Assessment Plan

Planning, coordination and effective consideration of the Dyer Road pipeline, foreign pipelines and utilities, and related issues within the influence of the pipeline alignments are necessary to achieve success with this project, and essential in the avoidance of negative impacts.

HDR has years of experience in the testing, design, construction, and rehabilitation of CP systems and understands the interrelated components, and that the addition or change in one can potentially impact others.

Based on the desktop study and prior knowledge of the Dyer Road pipeline alignment, HDR will develop a field assessment plan to document the testing and procedures to be performed.

C. Design Phase Field Assessment

1. INDIRECT PIPELINE CONDITION ASSESSMENT

a. Soil Corrosivity Survey

Results of soil analysis surveys are often heavily relied upon for the detail evaluation of the pipeline. Soil resistivity is a major determiner of corrosion, and HDR pioneered the three method-approach we use to evaluate the soil corrosivity: electromagnetic conductivity survey; Wenner 4-pin survey; and soil sampling and analysis. HDR understands that IRWD has historical Wenner 4-pin and soil sampling data.

This approach, along with any other available data, will be used to determine an comprehensive understanding of the soil conditions along the pipeline alignment.

The primary advantage of the electromagnetic conductivity (Emag) survey (ASTM D6639) is its efficiency. With the technique, soil resistivity data can be collected continuously with a handheld unit. No soil contact is required. As such, surveys can be rapidly completed. The Emag produces a measure of soil conductivity, which can be converted to resistivity and then plotted on a graph for review. Because no soil contact is required, soil beneath paved areas can be surveyed without excavation.

HDR has conducted well over 2,500 miles of Emag surveys. We are well versed in the capabilities and limitations of the technique. We understand the remarkable value of this tool, especially when surveying along existing pipeline alignments in-ground metallic pipe can invalidate readings from other techniques. Emag is a great tool for picking up small pockets of corrosive soil.

Locations for Wenner Four-Pin testing are selected based on interpretation of the Emag survey and any gaps in the historical data.. Utilizing a specially manufactured multi-conductor wiring harness, the Wenner Four-Pin tests are performed per ASTM G57 at 2½ , 5-, 7½-, 10-, and 15-foot spacings. These measurements are average resistivities measured to the indicated depth. Using average resistivities in conjunction with a Barnes Layer calculation, the soil resistivity of each layer can be calculated, which gives a better picture of the soil strata.

It is essential to measure the soil resistivity in the 5-layers indicated above because this allows a determination of actual soil resistivity at pipe depth, eliminating the upper layers (i.e., 2½ and 5 foot strata) which are affected by landscaping or surface vegetation, and surface moisture.

This allows us to focus our evaluation on the soil corrosivity solely in the pipe zone.

Soil sample locations are selected at pipe depth at areas of most concern based on the results and analysis of the Emag and Wenner Four-Pin surveys. First Underground Service Alert of Southern California (USA) is contacted and a DigAlert Ticket is acquired before soil collection begins.

HDR will collect soil samples at depths between three and six feet below finished grade, using a power auger. Once collected, soil samples are submitted to HDR's in-house laboratory for analysis.

1. The electrical resistivity of each sample is measured in a soil box per ASTM G187 or CTM 643 in its as-received condition and again after saturation with distilled water. Resistivities are near their lowest value when the soil is saturated.
2. 5:1 water: soil extract from each sample is then chemically analyzed for the major soluble salts commonly found in soil per ASTM D4327, D6919, and D513. This includes: i. Chloride ion concentration per CTM 422, ii. Sulfate ion concentration per CTM 417.
3. The pH of the saturated samples is measured per CTM 643.
4. If the soil samples exhibit characteristics typically associated with anaerobic conditions, sulfide and oxidation-reduction (redox) potential are determined per AWWA C105 Appendix A.

Since 2015, the testing methods CTM 417 and CTM 422 require laboratories to employ ASTM D4327, a test method known as ion chromatography. Ion chromatography has become the established method for determination of soluble inorganic ions in water and is a superior testing method for both accuracy and precision as compared to the older titration-based methodologies.

Because this test method provides more accurate and reproducible results, HDR has proudly utilized ion chromatography for over a decade.

Ion chromatography also allows HDR to test for and report a wide variety of anions and cations for correlation and overall quality assurance verification. HDR verifies the numbers of anions and cations balance by comparing molar equivalents.

SUMMARY The three-step method of Emag, Wenner Four-Pin, and soil analysis assures that the most complete soil corrosivity profile is obtained. Selecting Wenner Four- Pin and soil sampling locations at the areas of interest means no wasted field or laboratory work.

Emag and Four-Pin readings tell where the soil conditions are likely to be corrosive, whereas the soil sampling and analysis tell why the soil is corrosive. This provides a more accurate indication of the corrosiveness of the soil related to the specific pipe and coating system.

The advantage of using the above three-step method of soil analysis is that virtually the entire alignment can be evaluated, rather than relying on a limited number of point measurements. Further, the Emag and Wenner resistivity data are useful in the design of any required CP for the pipeline.

b. Electrical Continuity Testing

Electrical Continuity testing is a crucial step in determining the viability of the initial or continued application of CP, and is necessary to deficiencies in the cathodic protection system.

Common methods of checking for electrical continuity include:

1. Measuring the pipe resistance while circulating a known current through the pipe and observing the pipe span's voltage response. Field measurements are then compared to predetermined theoretical values
2. Determining how the pipe reacts to the application of temporary CP current
3. Measuring earth gradients between two electrodes while applying temporary CP current
4. Tracing pipe alignment using a pipe locator with suitably tuned audio frequency.

Of the continuity testing methods, the circulating current continuity test method is the most accurate, but is time and labor intensive, and subject to test station or pipeline accessibility at appropriate distances.

In addition, the existing pipe may have suffered enough corrosion to cause a significant difference between measured span resistance and theoretical span resistance for a new pipe. However, this method is generally excellent, once set up, to identify electrically discontinuous pipe joints.

The state of electrical continuity must be known if CP is to be effectively applied to a pipeline. If CP is applied to an electrically discontinuous pipeline, only portions of the pipeline will receive corrosion protection.

Additionally, self-induced stray currents are likely in the case of impressed current CP. In cases where electrical continuity of piping cannot be determined by the circulating current method, as for example when insufficient test stations exist to allow for wire spanning between stations, then one or more of the alternative methods can be used.

As electrical continuity of the protected pipeline is essential, electrical isolation between pipelines, structures, facilities, and appurtenances is also paramount for the proper function of CP systems, as well as reducing corrosion cells introduced by bimetallic coupling (galvanic corrosion), long-line corrosion cells, and stray currents.

Testing for electrical isolation is accomplished in accordance with NACE International SP0286, Electrical Isolation of Cathodically Protected Pipelines. Section 8 of SP0286 outlines several tests that may be used to determine the effectiveness of an isolating device, depending upon conditions.

For example, testing of insulating flanges in vaults may entail the use of a radio frequency isolation instrument, whereas buried insulating flanges are tested by measuring the potential shift on both sides of the flange with a temporary test current applied to one side.

c. Potential Survey

HDR has decades of experience performing pipe-to-soil potential surveys on existing test stations. HDR has been asked to perform baseline and polarized potential surveys for many of the District's pipelines.

These surveys provide building blocks for all subsequent pipeline assessments. Potentials can be compared over time to establish trends and areas of concern.

Additionally, potential surveys on cathodically protected pipelines are necessary to verfiy that proper levels of CP are being achieved in accordance with criteria established in NACE International SP0169, Control of External Corrosion on Underground or Submerged Metallic Piping Systems, or SP0100, Control of External Corrosion of Concrete Pressure Pipelines and Mortar-Coated Steel Pipelines for Water or Waste Water Service, as applicable.

Test stations will be photographed and GPS coordinates will be collected using sub-meter accuracy. At most, ten minutes will be spent locating each lost test station.

Locating instruments may include metal detectors, probe bars (bar-holers), measuring distances from known tie-down features, and light shoveling. If not found after that duration, the test station will be classified as "Could Not Locate" (CNL).

d. AC/DC Stray Current Interference

HDR routinely investigates possible sources of stray current. To determine if CP systems may cause corrosion due to stray DC current interference, a review of impressed current CP systems in the local area is verified with the Southern California Cathodic Protection Committee.

If CP systems are listed in the vicinity, or foreign pipe crossings are noted along the alignment, further investigations are often required. If foreign pipelines are cathodically protected, as is required by U.S. Department of Transportation (DOT) regulations (49 CFR 190-199) for oil and gas pipelines, stray current corrosion is possible on nearby pipelines.

Investigations for stray current typically include:

1. Measuring line current at calibrated 4-wire line current test stations if available,
2. Close-interval surveys over the subject pipeline while cycling the foreign pipeline's rectifier,
3. Directly measuring the line current using a large-diameter clamp-on ammeter (Swain Meter) during excavations,
4. Measuring changes in potential gradients in the earth using rosette pattern testing while cycling the foreign pipeline's rectifier.

e. Data Analysis

Following the completion of the field testing and data collection, the field data will be tabulated and analyzed to categorize the soil corrosivity along the complete alignment, determine the condition of the cathodic protection system, and identify deficiencies. Using historic cathodic protection system data, compared with project-collected data, and extrapolate for estimated remaining anode lives.

2. EXTERNAL DIRECT CONDITION ASSESSMENT

HDR will perform external direct condition assessments at accessible vaults and well sites where the DRWF Pipeline is already exposed; no excavations are included. Before entering the field, HDR will review available record drawings and assessment data to identify pipe material, nominal wall thickness, coating or mortar system, joint configuration, appurtenances, and locations of prior concerns. Field observations will be documented using standardized forms, photographs, and GPS coordinates so findings can be correlated with IRWD facility and pipe segment IDs and compared with the indirect assessment results.

For coated steel pipe, HDR will perform a systematic visual and coating condition assessment of the pipe, valves, fittings, flanges, welds, supports, penetrations, and other accessible appurtenances. The inspection will document coating delamination, cracking, blistering, corrosion, pitting, leakage, moisture accumulation, and other evidence of deterioration. Where appropriate, coating rusting and blistering will be classified using recognized ASTM and AMPP practices.

Dry film thickness measurements will be collected at representative and distressed areas, and ultrasonic thickness measurements will be obtained in general accordance with ASTM E797 to estimate remaining steel wall thickness. Localized pits will be measured where accessible. Measurement locations will be referenced circumferentially and longitudinally to support repeatable monitoring and comparison with nominal or record wall thickness. HDR will interpret coating condition, wall thickness, and observed defects together rather than relying on any single measurement.

For accessible bar-wrapped pipe, HDR will visually evaluate the exterior mortar coating for cracks, hollow or loose areas, abrasion, exposed wire or steel, rust staining, efflorescence, delamination, and spalling. Particular attention will be given to joints, penetrations, supports, areas subject to leakage or persistent moisture, and interfaces between mortar-coated pipe and metallic appurtenances.

Where access and IRWD approval allow, HDR will collect representative mortar samples from existing distressed or loose areas to minimize additional damage. Samples may be evaluated for thickness, depth of carbonation, pH, chlorides, sulfates, and other characteristics relevant to passivation of the embedded steel. Sample locations will be photographed and documented. HDR will use the combined direct assessment findings to identify needed near-term repairs, establish baseline condition, and use this information to guide further condition assessment phases.

3. OPTIONAL LEAK DETECTION

HDR proposes a holistic approach to leak detection that considers both internal and external technologies. HDR's team has been involved in the planning, management, and implementation of leak detection programs covering hundreds of miles of pipeline and employing both approaches. Drawing on this experience, HDR recognizes that no single technology is optimal for every pipeline segment or project objective.

Most leak detection technologies identify the acoustic signature generated by water escaping from a pressurized pipeline. Detection sensitivity is influenced by leak size and geometry, pressure, pipe material and diameter, background noise, sensor spacing, and the distance between the sensor and the leak. Internal technologies place the acoustic sensor in the water column and close to the pipe wall, while external technologies rely on signals transmitted to discrete pipe-contact or water-contact points. As pipeline diameter and the distance between suitable external sensor locations increase, the potential to miss small leaks also increases.

External leak detection can be effective when the primary objective is identifying leaks that meaningfully contribute to non-revenue water.

For condition assessment of bar-wrapped pipe, however, small pinhole leaks can provide important evidence of localized corrosion or deterioration.

HDR understands from discussions with IRWD that in-pipe leak detection is not desired during this phase. Rather than performing an external-only survey that may provide an incomplete indication of pipeline condition, HDR recommends deferring leak detection to a later phase.

At that time, internal and external technologies can be evaluated and potentially deployed together based on pipeline material, diameter, access, operating conditions, consequence, and the specific assessment objective. External methods can then be focused where suitable contact points and acoustic transmission conditions make them effective, while internal methods can be applied where proximity to the pipe wall is needed to detect small leaks. This coordinated approach will allow IRWD to use each technology where it offers the greatest value, reduce the potential for false confidence from an external-only survey, and better support condition-based pipeline management decisions.

If IRWD has questions regarding the application, benefits, or limitations of internal or external leak detection technologies, HDR welcomes the opportunity to discuss these considerations as part of the selection process. We would be pleased to further explain the basis for our recommendation and how a coordinated approach can provide the greatest value for the DRWF Pipeline.

4. VALVE ASSESSMENT

HDR's valve assessment will be performed by **B&K Valves & Equipment** under the direction of **Steve Carpenter**. B&K will work with IRWD staff to locate the approximately 30 in-line valves, side-outlet valves and associated appurtenances along the DRWF Pipeline, including blow-offs, and air release valves.

For each asset, the team will document GPS coordinates, valve type and size, number of turns, closing direction, torque, orientation, nameplate information, accessibility, and condition of visible components. Each valve will be photographed in its as-found condition, and the assessment will assign a usability rating based on whether the valve can be located, accessed, and mechanically operated.

Where IRWD authorizes operation, B&K will assess valve performance while cycling the valve toward the fully closed and fully open positions. The inspection will evaluate the exterior of the valve and gearbox for cracks, leakage, missing or severely corroded bolts, corrosion, and damaged components. The gearbox cover plate will be removed where practicable to examine the stem, gears, moving parts, lubrication condition, excessive play, and wear. Gears will be lubricated as needed. Valve operation will be coordinated with IRWD to avoid adverse system impacts and will be stopped if torque, vibration, leakage, or other observed conditions indicate a risk of damage.

HDR and B&K will analyze the results to identify operability limitations, mechanical and actuator defects, corrosion concerns, and maintenance needs. Recommendations will consider the practicality and probable success of repair, the relative cost of rehabilitation versus replacement, operational criticality, and the need for reliable isolation during future inspections and improvements. The results will be incorporated into the Design-Phase Condition Assessment Memorandum and PDR, including prioritized recommendations for preventive maintenance, rehabilitation, replacement, or further investigation

D. Cathodic Protection System Improvements Workshop

HDR will perform an analysis based on available design information, historical cathodic protection data, and the field data collected, to develop various options for cathodic protection system improvements. The proposed improvements will include available options with a description of the replacements or repairs, the proposed supplemental equipment, and the location with the approximate limits of the work.

This will also include the recommended design requirements, including the minimum design life, anticipated permits, and possible agency coordination. We will provide our recommended improvements based on the data, our experience, and knowledge of the system. The options and the recommended improvements with be presented in a workshop.

E. Detailed Inspection Alternatives Analysis

HDR will use the desktop study and design-phase field assessment results to develop a focused alternatives analysis for detailed inspection of the DRWF Pipeline. The analysis will segment the pipeline into practical inspection reaches based on pipe material and diameter, consequence, likely deterioration mechanisms, cathodic protection performance, corrosion indicators, valve and appurtenance condition, available access, isolation limits, operating conditions, and the locations where additional information will most improve decision-making.

Rather than selecting a single technology for the entire alignment, HDR will evaluate material-appropriate technologies and combinations of technologies that provide the needed resolution with the least operational disruption.

For each alternative, HDR will confirm the proposed inspection limits and evaluate detection capability, data resolution and accuracy, applicability to welded steel and AWWA C303 bar-wrapped pipe, access and deployment requirements, flow and pressure constraints, valve passage requirements, shutdown or bypass needs, traffic control, permitting, cleaning, disinfection, tracking, equipment handling, vendor and IRWD support, data integration, schedule, risk, and planning-level cost.

The evaluation will consider lower-impact screening, in-line leak detection, tethered and free-swimming electromagnetic or ultrasonic methods, visual and sounding inspection where entry is feasible, and targeted direct assessment or data layering where a high-resolution in-line inspection is not operationally feasible or cost effective.

HDR's team brings hands-on experience with corrosion investigations and cathodic protection, planning and execution of in-line inspections, development of condition-based capital improvement programs, and design of pipeline rehabilitation.

This integrated experience helps verify the recommended detailed inspection approach is actionable and not simply a desktop exercise. HDR will consider how each inspection would actually be implemented, including insertion and extraction locations, valve positions, off-take management, flow control, contingency isolation, access modifications, temporary appurtenance removal, lifting and staging needs, traffic control, utility support, and the ability of the resulting data to support repair, rehabilitation, replacement, monitoring, and remaining-life decisions.

The alternatives analysis will identify a preferred technology or coordinated inspection approach for each recommended reach, define the proposed extent and sequencing, identify improvements needed to facilitate inspection access, and provide planning-level deployment costs.

Recommendations will clearly state the condition information expected from each method, its limitations and uncertainty, and how the results will be used to refine future assessment priorities and the CIP.

HDR will document the evaluation, preferred approach, implementation requirements, and recommended next steps in the Detailed Inspection Alternatives Analysis Memorandum for incorporation into the preliminary design report.

F. Preliminary Design Report

HDR will prepare a Draft and Final Preliminary Design Report (PDR) that documents the results of the desktop study, design-phase field assessments, valve assessment, cathodic protection evaluation, and detailed inspection alternatives analysis.

The PDR will summarize existing conditions, assessment findings, and identified deficiencies and will present recommendations for cathodic protection improvements (as identified in the CP workshop), valve maintenance and rehabilitation, future condition assessment activities, inspection access improvements, and other measures necessary to support long-term management of the DRWF Pipeline.

The PDR will include an evaluation of detailed inspection alternatives, recommended inspection approaches by pipeline reach, planning-level opinions of probable cost, implementation considerations, and a prioritized list of recommended next steps.

The Draft PDR will be submitted for IRWD review and comment. HDR will address review comments and prepare a Final PDR incorporating IRWD feedback.

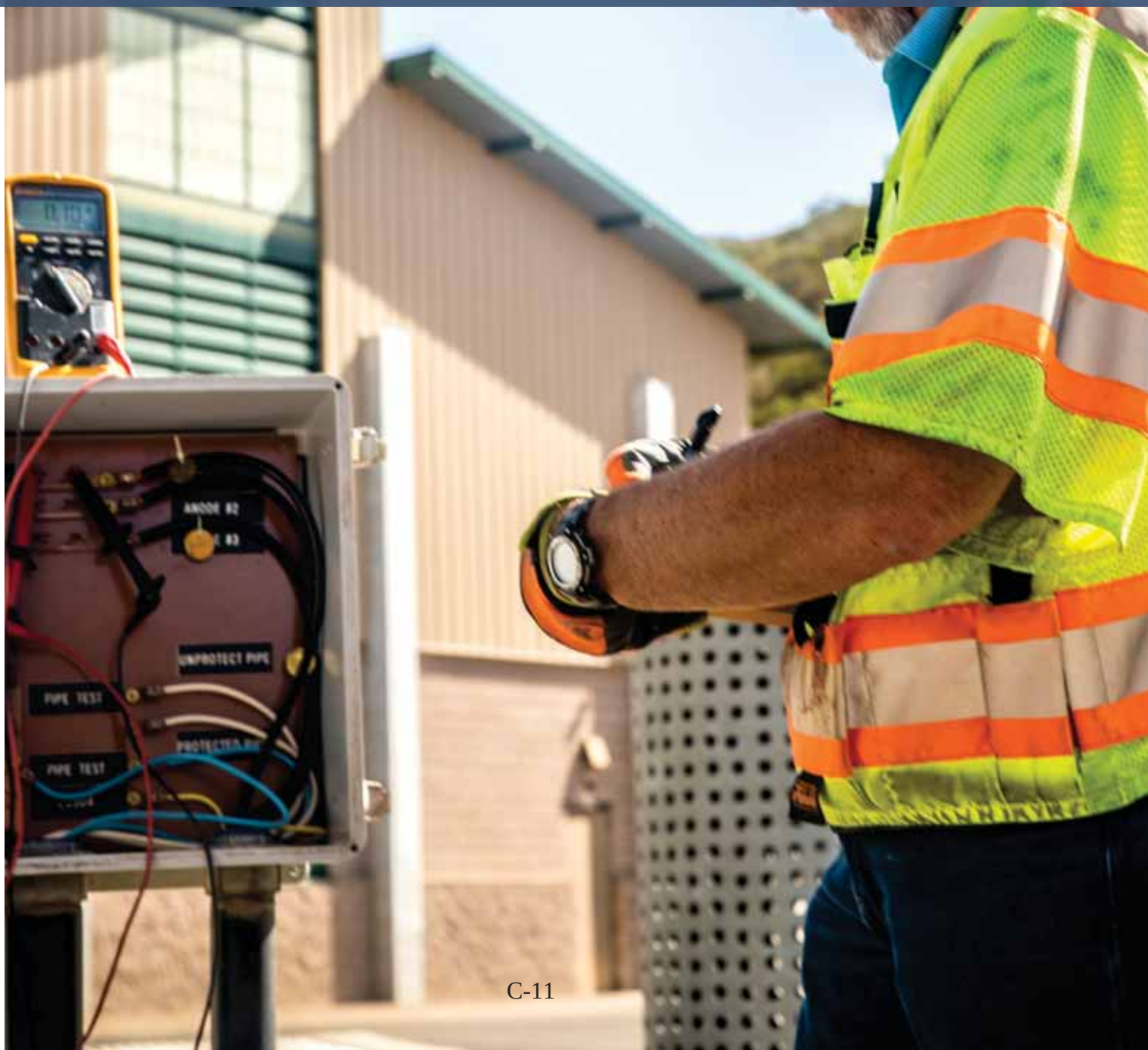
G: Preliminary Design Deliverables

The following project deliverables will be presented in a workshop meeting and submitted via email.

- Design Phase Field Assessment Plan
- Field Assessment Data Submittal
- Draft Preliminary Design Report.
- Final Preliminary Design Report.

Section 2

Understanding and Approach



PROJECT UNDERSTANDING

A. Preparation of Project Status Reports

IRWD's objective is to develop a practical, defensible plan for managing the long-term reliability of the Dyer Road Well Field (DRWF) Pipeline. The pipeline is a critical water conveyance asset composed of welded steel and AWWA C303 bar-wrapped pipe, with in-line and side-outlet valves, appurtenances, cathodic protection, and other features that influence both current condition and the feasibility of future inspections.

The value of this project is therefore not simply collecting more data; it is reducing uncertainty so IRWD can make confident decisions about corrosion control, maintenance, detailed inspection, rehabilitation, and capital investment.

HDR understands that the condition of the DRWF Pipeline cannot be defined by age or any single test result. External corrosion risk is influenced by soil conditions, coating or mortar performance, electrical continuity, cathodic protection effectiveness, isolation, foreign utilities, stray current, moisture exposure, and other factors. Internal corrosion risk is not considered in this phase of assessment but will be considered as part of detailed inspection alternatives analysis performed during the project.

The pipeline's valves and associated appurtenances are equally important. Reliable isolation is essential for routine operation, emergency response, future condition assessment, and eventual rehabilitation. A valve that is difficult to locate, access, or operate may limit IRWD's ability to investigate a pipeline segment even if the most appropriate inspection technology is otherwise available.

The project must therefore connect pipeline condition, corrosion protection, valve operability, access, and operational constraints into one implementation-focused plan. IRWD has already established a strong foundation through its pipeline asset management and cathodic protection programs. HDR's role is to build on that work, not create a parallel process, by organizing existing records and new field data into a clear basis for near-term improvements and future investigations.

PROJECT APPROACH

HDR proposes a phased, data-layering approach that moves from existing knowledge to targeted field assessment and then to implementation-ready recommendations. Each phase is designed to answer a specific decision question: What is already known? Where is corrosion or deterioration most likely? What can be verified without excavation? What improvements are needed now? Where would a detailed inspection materially improve confidence? This structure concentrates effort where it provides the greatest value and avoids selecting an inspection technology before operational feasibility and the actual information need are understood.

- **Establish the Data Foundation.** HDR will begin with a focused review of record drawings, GIS information, cathodic protection and corrosion monitoring data, prior assessments, repairs, failure or leak history, pipeline materials and coatings, joint bonding, electrical isolation, test stations, valves, laterals, appurtenances, operating requirements, and known access constraints.

  We will then drive and walk accessible portions of the alignment with IRWD staff to reconcile the records with field conditions and capture institutional knowledge that may not appear in the available documentation. This work will establish practical pipeline reaches based on material, diameter, construction history, electrical continuity, cathodic protection configuration, access, isolation limits, operating conditions, and likely deterioration mechanisms.

- **Develop the Design-Phase Field Assessment Plan.** Before mobilizing, HDR will prepare a coordinated field assessment plan defining the purpose, sequence, locations, access requirements, traffic control, confined-space considerations, safety controls, IRWD support, data collection procedures, and contingencies for each activity. The plan will align the corrosion, direct assessment, and valve investigations so results can be interpreted together rather than as separate technical exercises. Confirming constraints early will reduce remobilization, protect the schedule, and allow IRWD and HDR to resolve access or operational issues before field crews are deployed.

- **Use Layered Corrosion Testing to Identify Deterioration Drivers.** HDR will characterize the external environment using complementary methods rather than isolated point measurements. Electromagnetic conductivity surveys will screen accessible portions of the alignment for changes in soil conductivity. Targeted Wenner four-pin testing will then evaluate soil resistivity at representative depths, and soil samples collected at selected areas of concern will determine why the soil may be corrosive through laboratory testing for resistivity, pH, chlorides, sulfates, and other relevant parameters.

  The investigation will also evaluate pipe-to-soil potentials, electrical continuity, isolation, and potential stray-current interaction. Depending on pipeline continuity and access, HDR will perform close-interval or cell-to-cell surveys to identify anodic areas and evaluate cathodic protection performance. These datasets will be interpreted together to identify where cathodic protection restoration, additional monitoring, direct verification, or future detailed inspection is warranted.

SIMILAR APPROACH APPLIED ON 14 MILES OF RECYCLED WATER TRANSMISSION PIPELINE

Marc Wegner and the HDR team used soil corrosivity testing, corrosion monitoring system evaluation, and indirect condition assessment techniques to investigate corrosion-related failures on the Winchester Recycled Water Transmission Pipeline.

The assessment identified external corrosion as the primary deterioration mechanism and provided the basis for cathodic protection improvements and long-term pipeline management recommendations.

- **Verify Condition Where the Pipeline Is Already Accessible.** At accessible vaults and well sites, HDR will perform external direct assessment without adding excavation to this phase. Welded steel pipe, fittings, flanges, welds, supports, coatings, and exposed appurtenances will be evaluated for corrosion, pitting, leakage, delamination, blistering, cracking, and moisture-related deterioration. Representative coating thickness and ultrasonic wall-thickness measurements will be collected.

  For accessible bar-wrapped pipe, HDR will examine the mortar coating for cracks, hollow or loose areas, rust staining, efflorescence, spalling, exposed steel or wire, and deterioration at joints, supports, penetrations, and persistently wet locations. Where IRWD authorizes sampling from existing distressed areas, mortar testing can help evaluate thickness, carbonation, pH, chlorides, sulfates, and the continuing ability of the mortar to protect embedded steel.

- **Treat Valve Reliability as an Inspection-Enabling Asset.** HDR's valve specialist, B&K valves, will work with HDR and IRWD to locate and document the in-line valves, side-outlet valves, blow-offs, air-release valves, and related appurtenances. For each asset, the team will record location, type, size, orientation, accessibility, visible condition, operating information, and usability.

  Where IRWD authorizes operation, valves will be carefully exercised while monitoring torque, movement, vibration, leakage, gearbox condition, lubrication, and other indicators of mechanical performance. Results will be translated into prioritized preventive maintenance, repair, rehabilitation, replacement, or further-investigation recommendations. This work will improve day-to-day reliability and identify the isolation and access limitations that must be addressed before future in-line assessment.

Our team's valve assessment lead, Steve Carpenter, brings more than 30 years of water utility operations and maintenance experience, including oversight of more than 5,000 valves for the San Diego County Water Authority and contributions to multiple AWWA valve standards.

- **Advance Cathodic Protection Improvements Collaboratively.** HDR will integrate the desktop and field findings into a cathodic protection improvement workshop with IRWD engineering, operations, and maintenance staff. The workshop will distinguish immediate maintenance needs from longer-term system improvements and confirm the practical implications of continuity, isolation, test-station, anode, rectifier, foreign-system, and monitoring deficiencies.

  The outcome will be a prioritized set of cathodic protection and corrosion-control recommendations that considers effectiveness, constructability, operational impacts, access, sequencing, cost, and compatibility with future pipeline inspection.

Scope Deviation—Defer Leak Detection to a Future Phase

HDR is intentionally deviating from the RFP's requested leak-detection approach. Based on discussions with IRWD, in-pipe leak detection is not desired during this phase. We also do not recommend proceeding with an external-only survey because its sensitivity can decrease as pipe diameter and spacing between suitable contact points increase, creating the potential to miss the small pinhole leaks that may be meaningful indicators of localized deterioration in bar-wrapped or steel pipe.

An external-only result could therefore provide incomplete condition information and create false confidence. Deferring this work allows internal and external methods to be evaluated together after the desktop review, direct assessment, corrosion testing, valve evaluation, and operational constraints are understood. This is beneficial because IRWD can then select the method or coordinated combination of methods best suited to each pipeline reach, direct inspection funds where they will most improve decisions, and obtain more defensible information for condition-based management.

As part of the U.S. Environmental Protection Agency's Field Demonstration of Innovative Condition Assessment Technologies for Water Mains: Leak Detection and Location (EPA/600/R-12/018, March 2012 the Louisville field demonstration showed the internal Sahara and SmartBall technologies detected simulated leaks as small as 0.06 gallon per minute, while the external LeakfinderRT configuration could locate leaks greater than approximately 0.6 gallon per minute. The external technology also did not identify several confirmed natural leaks that were detected by the internal technologies.

Select Detailed Inspection Methods Based on the Decision Need. HDR will use the combined findings to evaluate detailed inspection alternatives by practical pipeline reach. Each alternative will be evaluated for applicability to welded steel or AWWA C303 bar-wrapped pipe, anticipated defect sensitivity, data resolution, uncertainty, access and deployment requirements, valve passage, flow and pressure constraints, shutdown or bypass needs, cleaning and disinfection, traffic control, permitting, equipment handling, IRWD support, schedule, risk, and planning-level cost.

The evaluation may consider lower-impact screening, internal leak detection, tethered or free-swimming electromagnetic and ultrasonic methods, visual and sounding inspection where entry is feasible, direct assessment, or coordinated data layering where high-resolution in-line inspection is not operationally feasible or cost-effective.

INDUSTRY LEADERSHIP IN CONDITION ASSESSMENT.

HDR Technical Advisor Dan Ellison led development of AWWA Manual M77, Condition Assessment of Water Mains, the industry's leading guidance document for evaluating pipeline condition and selecting appropriate inspection strategies.

His experience helps ensure inspection technologies are matched to the decisions they need to support, not simply applied for the sake of collecting data.

Insight Water Technologies contracted HDR to develop an operational plan for the Region of Peel, who serves more than 1.5 million residents in the Toronto Canada Metro Area, for a high-risk inline free-swimming inspection. Christopher Aronitz acted as a technical advisor in developing the operations plan.

Deliver an Implementation-Ready Preliminary Design Report. The Preliminary Design Report will consolidate the desktop review, field assessment, cathodic protection recommendations, valve findings, and detailed inspection alternatives into a clear roadmap for action. Recommendations will distinguish near-term maintenance and repair needs, cathodic protection improvements, access or isolation upgrades, future monitoring, and detailed inspection projects. For each recommended action, HDR will identify the supporting evidence, expected benefit, implementation considerations, sequencing, uncertainty, and planning-level cost.

HDR does not recommend other fundamental changes to the RFP scope. Our refinement is to deliberately sequence the work so that detailed inspection technology selection follows, not precedes, the desktop review, field assessment, valve evaluation, and cathodic protection analysis. This sequencing reduces the risk of recommending a technically capable tool that cannot be practically deployed and helps verify that future inspection expenditures are directed to the reaches where new information will most improve IRWD's decisions.

The result will be more than a condition summary: **it will be a practical, defensible plan IRWD can use to maintain near-term reliability, strengthen corrosion protection, prepare the pipeline for future assessment, and make well-timed capital decisions.**



HDR field personnel deploying an in-line inspection device as part of a condition assessment of Metropolitan Utilities District's water transmission main.

Section 3

Team Qualifications and Experience



PROJECT TEAM

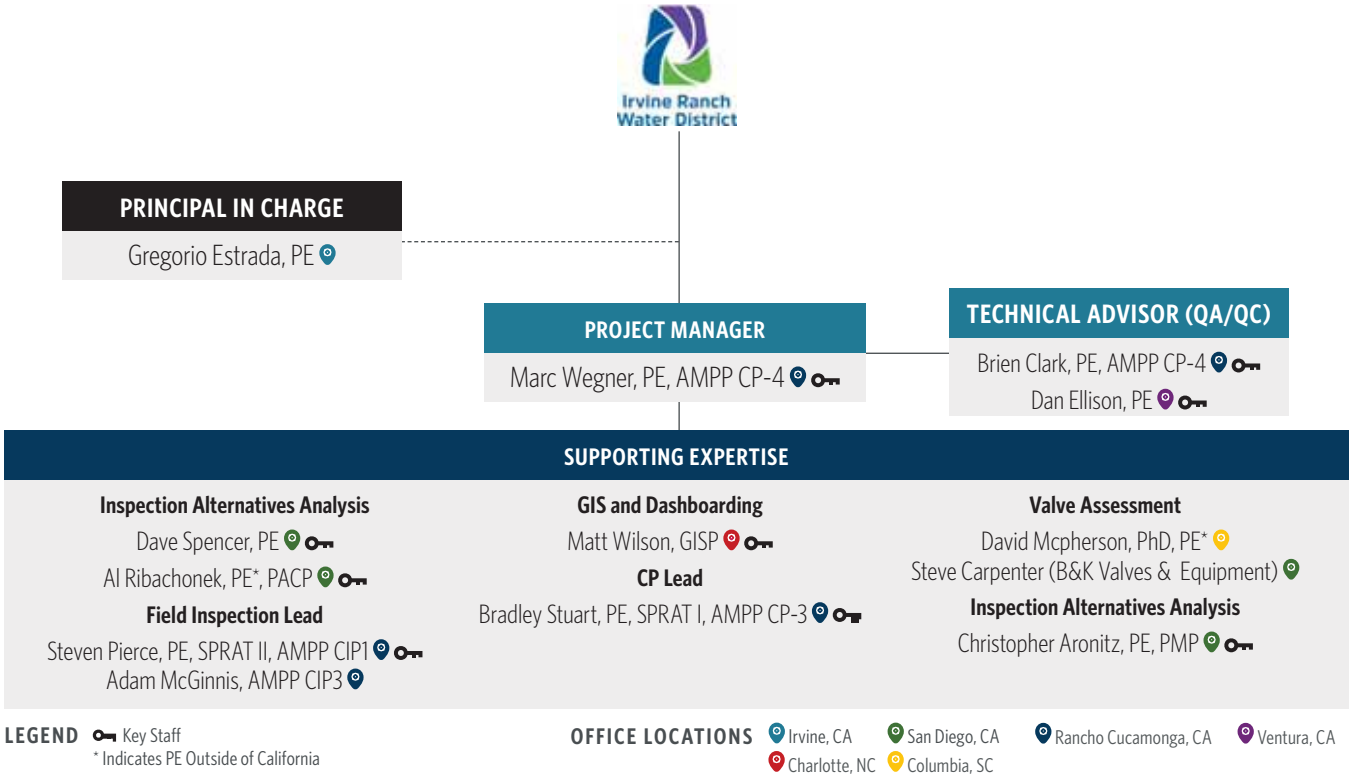
HDR has assembled a multidisciplinary team specifically organized to support IRWD's Dyer Road Well Field pipeline condition assessment and cathodic protection improvement program. Led by Principal-in-Charge **Gregorio Estrada, PE,** and **Project Manager Marc Wegner, PE, AMPP CP-4,** the team combines corrosion engineering, pipeline assessment, field inspection, leak detection, valve assessment, GIS, and asset management expertise in a single integrated delivery structure.

Brien Clark, PE, and **Dan Ellison, PE,** serve as technical advisors, providing independent QA/QC review and strategic guidance at key project milestones.

Supporting them is a group of subject matter specialists with experience spanning pipeline integrity evaluations, cathodic protection systems, condition assessment technologies, and utility asset management.

Our team structure is intentionally flexible, allowing specialized expertise to be engaged as project findings refine the needs of Task 1 and Task 2. This approach provides IRWD with direct access to the right technical resources at the right time while maintaining clear communication, accountability, and continuity throughout the project. We have also incorporated specialized subconsultant capabilities to address the full range of technical needs anticipated for the DRWF Pipeline system.

HDR is committed to maintaining the proposed key personnel throughout the project and acknowledges that any reassignment of key personnel will require prior written approval from IRWD. Together, HDR and B&K Valves & Equipment provide the technical depth, field experience, and specialized expertise needed to support informed decisions regarding future inspection, rehabilitation, and corrosion control investments.





MARC WEGNER | PROJECT MANAGER

Marc brings focused corrosion engineering and project management experience directly relevant to IRWD's Dyer Road Well Field pipeline condition assessment and cathodic protection improvements. As a licensed PE and AMPP CP-4 Cathodic Protection Specialist, he has contributed to long-running corrosion programs for water utilities across California and the West, including impressed current cathodic protection systems, pipeline condition assessments, and corrosion monitoring work. Marc has worked alongside HDR's core corrosion team on projects that mirror the technical scope IRWD is pursuing, giving him direct familiarity with the assessments, surveys, and CP system evaluations central to this contract. As Project Manager, he will serve as IRWD's primary point of contact, coordinating across disciplines, maintaining schedule and budget accountability, and keeping communication clear and consistent throughout Task 1 and Task 2.



15% AVAILABLE

BRIEN CLARK | TECHNICAL ADVISOR (QA/QC)

Brien is a senior corrosion engineer with over 20 years of experience conducting condition assessments, soil corrosivity investigations, cathodic protection surveys, corrosion control designs, and pipeline integrity evaluations for water and wastewater utilities. He has completed more than 1,700 assessments across a wide range of infrastructure types, including large-diameter transmission pipelines, and brings direct experience with CP system testing and soil corrosivity studies that align closely with IRWD's scope. As Technical Advisor, Brien will provide QA/QC oversight and senior-level guidance at key stages throughout the project.

DAN ELLISON | TECHNICAL ADVISOR (QA/QC)

Dan is a nationally recognized authority on pipeline condition assessment, rehabilitation, and trenchless construction with more than 45 years of experience helping water utilities develop practical, risk-based infrastructure management strategies. As founding Chair of the AWWA Water Main Condition Assessment Committee and lead contributor to AWWA Manual M77, he helped shape industry best practices for evaluating pipeline condition and renewal planning. As Technical Advisor and QA/QC lead, Dan will provide senior-level guidance throughout the project, drawing on his expertise in condition assessment technologies and asset management planning.



15% AVAILABLE



20% AVAILABLE

DAVE SPENCER | INSPECTION ALTERNATIVES

Dave brings more than 24 years of experience developing and implementing pipeline asset management programs, with a specialty in condition assessment technology evaluation and risk-based prioritization. He has co-authored multiple Water Research Foundation publications and the ASCE Manual of Practice for water main condition assessment, and has worked directly with IRWD on capital improvement planning and asset management for potable and non-potable pipelines. In his role, Dave will apply that firsthand IRWD knowledge to identify practical, cost-effective assessment approaches.

AL RIBACHONEK | INSPECTION ALTERNATIVES

Al is a NASSCO-certified inspector with more than 11 years of experience in pipeline condition assessment, asset management, capital improvement planning, design, and construction management for water agencies throughout Southern California. Her experience includes reservoir rehabilitation, pipeline and pump station assessments, potable water pipeline design, stormwater infrastructure, project management, GIS, and hydrologic and hydraulic modeling. As an Inspection Alternatives Analysis Lead, Al will use her field and planning expertise to help identify practical assessment approaches.



25% AVAILABLE



25% AVAILABLE

STEVEN PIERCE | FIELD INSPECTION LEAD

Steven is a materials engineer with 8 years of experience leading rope access and corrosion inspections for water infrastructure across California. His expertise includes structure-to-electrolyte and close interval potential surveys, continuity testing, soil corrosivity analysis, coating condition assessments, and cathodic protection evaluations. He has supported pipeline corrosion programs for Southern California water agencies, including Padre Dam Municipal Water District and Rainbow Municipal Water District. As Field Inspection Lead, Steven will translate field data into clear, actionable recommendations.

MATT WILSON | GIS AND DASHBOARDING

Matt is a Certified GIS Professional with 7 years of experience designing GIS applications, data integration frameworks, and decision-support dashboards for water utility planning and infrastructure management. He has served as GIS lead on pipeline condition assessment, master planning, and capital planning projects nationwide, including programs for the Great Lakes Water Authority and the City of St. Petersburg. As GIS and Dashboarding Lead, Matt will transform field assessment and corrosion survey data into clear visualizations that support IRWD's decision-making throughout the project.



20% AVAILABLE



25% AVAILABLE

BRADLEY STUART | CP LEAD

Bradley is a corrosion engineer with nearly a decade of experience performing cathodic protection surveys, pipeline condition assessments, and corrosion control work for California water utilities. His expertise includes potential and close interval surveys, electromagnetic testing, electrical continuity testing, soil resistivity analysis, and CP system design, with direct experience supporting projects for Irvine Ranch Water District and Eastern Municipal Water District. As CP Lead, Bradley will apply his field and design expertise to the cathodic protection evaluation and improvements for IRWD's Dyer Road Well Field project.

CHRISTOPHER ARONITZ | LEAK DETECTION

Christopher brings 12 years of experience in condition assessment of critical water infrastructure, specializing in pressure pipe inspection. Based in San Diego, he helps utilities balance actionable data with operational impacts to deliver high-value outcomes. He has led leak and gas pocket detection programs, including a 14-mile force main inspection for Sarasota County, and served as Client Manager for the San Diego County Water Authority's PCCP monitoring program. His expertise in pressure pipe inspection technologies provides a practical perspective on technology selection and field execution that will directly benefit IRWD on this project.



10% AVAILABLE

Section 4

Related Project Experience





Water Transfer Study

Long Beach Utilities Department (LBUD), Port of Long Beach | Long Beach, CA

The City of Long Beach Harbor Department and Long Beach Utilities Department (LBUD) are evaluating the transfer of approximately 32 percent of the Port of Long Beach (POLB) potable water system to streamline operations, align with regulatory requirements, and transition service responsibility under LBUD's Division of Drinking Water (DDW) permit. The Harbor currently operates POLB's water system, and the proposed transfer requires system upgrades to meet DDW standards and LBUD operational practices, including accessibility requirements for customer meters and distribution infrastructure.

LBUD engaged HDR to support the POLB Water System Transfer Study, including data validation, asset condition assessment, identification of system deficiencies, and development of operations and maintenance strategies and a capital improvement program to support system transition and long term compliance. The Study includes development of planning level cost estimates, project phasing, and implementation timelines. HDR developed short and long term operations plans to position LBUD to assume system ownership and align infrastructure and operational practices with DDW requirements and LBUD standards while maintaining service reliability.

Client Reference

Elizabeth Laskowska, Project Manager, 562.570.2312, elizabeth.laskowska@ lbwater.org

Project Team

Dan Ellison, Brien Clark, Al Ribachonek, Steven Pierce

Contract Value and Dates

$406K; 2020 - 2022



Cathodic Protection Feasibility Study, Rehabilitation Design, and Construction Support, Reach II Reclaimed Water Transmission Main

Eastern Municipal Water District (EMWD) | Riverside County, CA

The Reach II pipeline consists of approximately 9.5 miles of 24, 30, and 36 inch cement mortar lined and wrapped (CML&W) steel pipe with galvanic anode cathodic protection (CP). Previous surveys indicated the CP levels were waning. Recent failures were indicative that the pipeline was experiencing active corrosion and was the driver for the project.

The first phase consisted of a CP feasibility study that included the following: condition assessment of the existing CP system; evaluation of soil corrosivity for CP design; verification of the pipeline's electrical continuity status; and recommendations for CP System rehabilitation. HDR completed a bid-ready CP rehabilitation design based on the CP feasibility study.

Finally, Bid and construction support services were also provided. All work was performed under the direct supervision of a California licensed professional engineer and NACE CP Specialist.

Client Reference

Gabriel Buenagua, Civil Engineer, 951.928.3777, buanagug@emwd.org

Project Team

Brien Clark

Cost and Dates

$172K; 2017 - 2021



Capital Improvements Plan (CIP) & Asset Management for Potable & Non-Potable Pipelines

Irvine Ranch Water District (IRWD) | Orange County, CA

IRWD owns 2,600 miles of potable and recycled water pipeline. This project includes analysis to determine the appropriate level of funding and specific project within the CIP to cost-effectively manage aging infrastructure.

CIP investments include condition assessment, cathodic protection, rehabilitation, and replacement. The project incorporates concepts such as desktop condition assessment, risk analysis, replacement costs, condition assessment program development, remaining useful life, level of service. A specific emphasis is on refining and implementing IRWD's information management systems to enable the utility to leverage new data to continuously improve investment decisions.

Client Reference

Mitch Robinson, Project Manager, 949.453.5863, robinson@irwd.com

Project Team

Dave Spencer, Dan Ellison, Brien Clark, Al Ribachonek, Adam McGinnis

Cost and Dates

$612K; 2023 - 2025



As Needed Corrosion Engineer and Corrosion Technician Support Services

San Diego County Water Authority | San Diego, CA

HDR provided as-needed corrosion engineering services to the San Diego County Water Authority, including supporting Asset Management Program (AMP) staff with the design, installation, monitoring, assessment, and maintenance of the Authority's corrosion control systems. Services included performing field investigations and testing related to corrosion issues, supporting internal pipeline inspections, collecting and analyzing corrosion data, preparing technical reports, developing design drawings and specifications for cathodic protection (CP) systems, inspecting pipeline coatings and associated appurtenances, and recommending measures to prevent or control corrosion throughout the Authority's water delivery system. HDR also developed and updated corrosion control operations and maintenance manuals, reviewed, repaired, installed, and assessed CP systems, performed specialized coordinated interference testing, and troubleshot issues associated with impressed current rectifiers.

A major component of this assignment was helping the Authority design, manage, and maintain its cathodic protection systems. The effectiveness of the Authority's CP program was verified through follow-up direct condition assessments conducted during pipeline excavations. HDR also performed numerous coating inspections and condition evaluations as part of the ongoing program.

Client Reference

Brian DiLuca, Corrosion Control Supervisor, 760.445.4253, bdiluca@sdcwa.org

Project Team

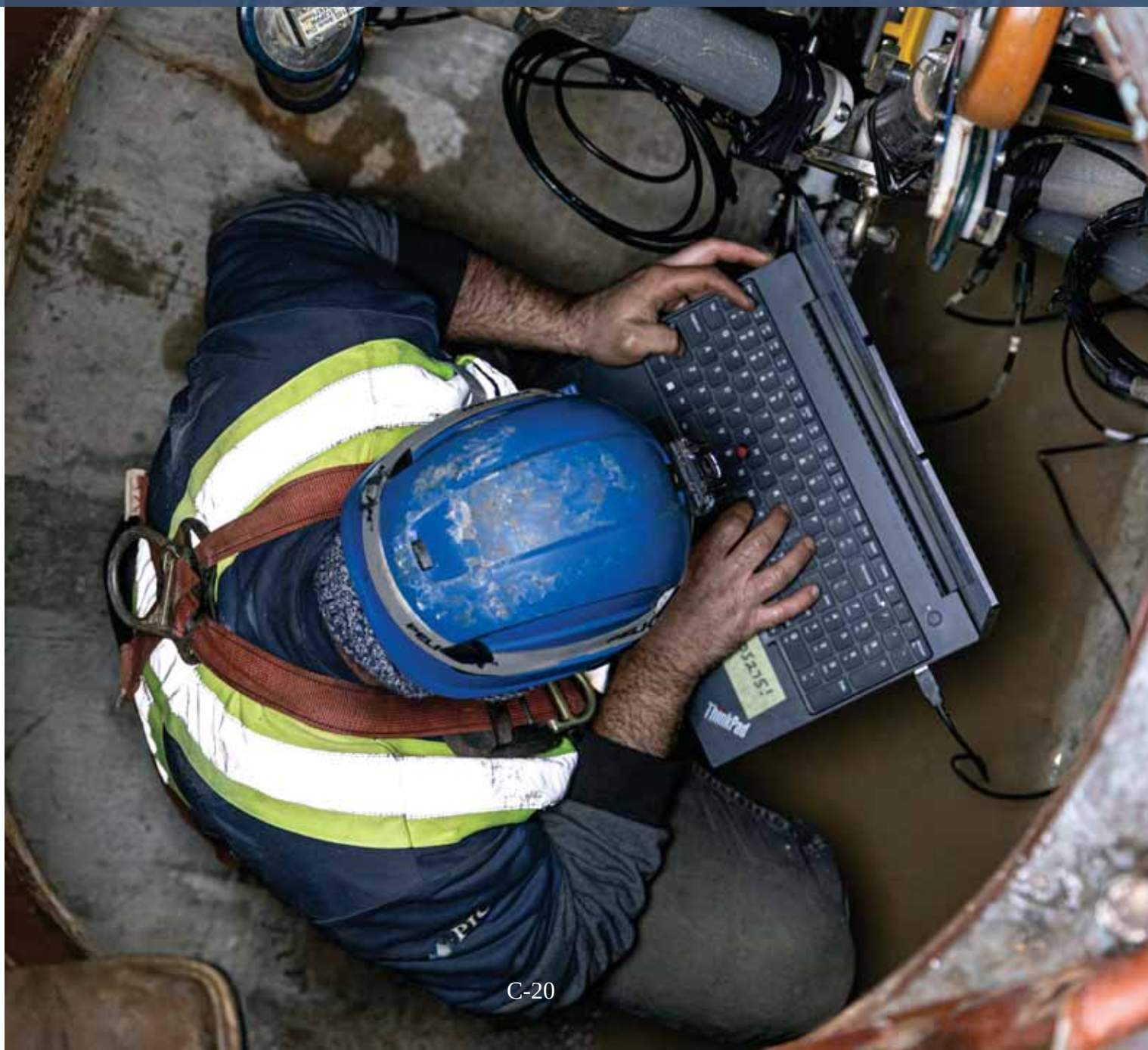
Brien Clark, Adam McGinnis

Cost and Dates

$1.9M; 2014 - Ongoing

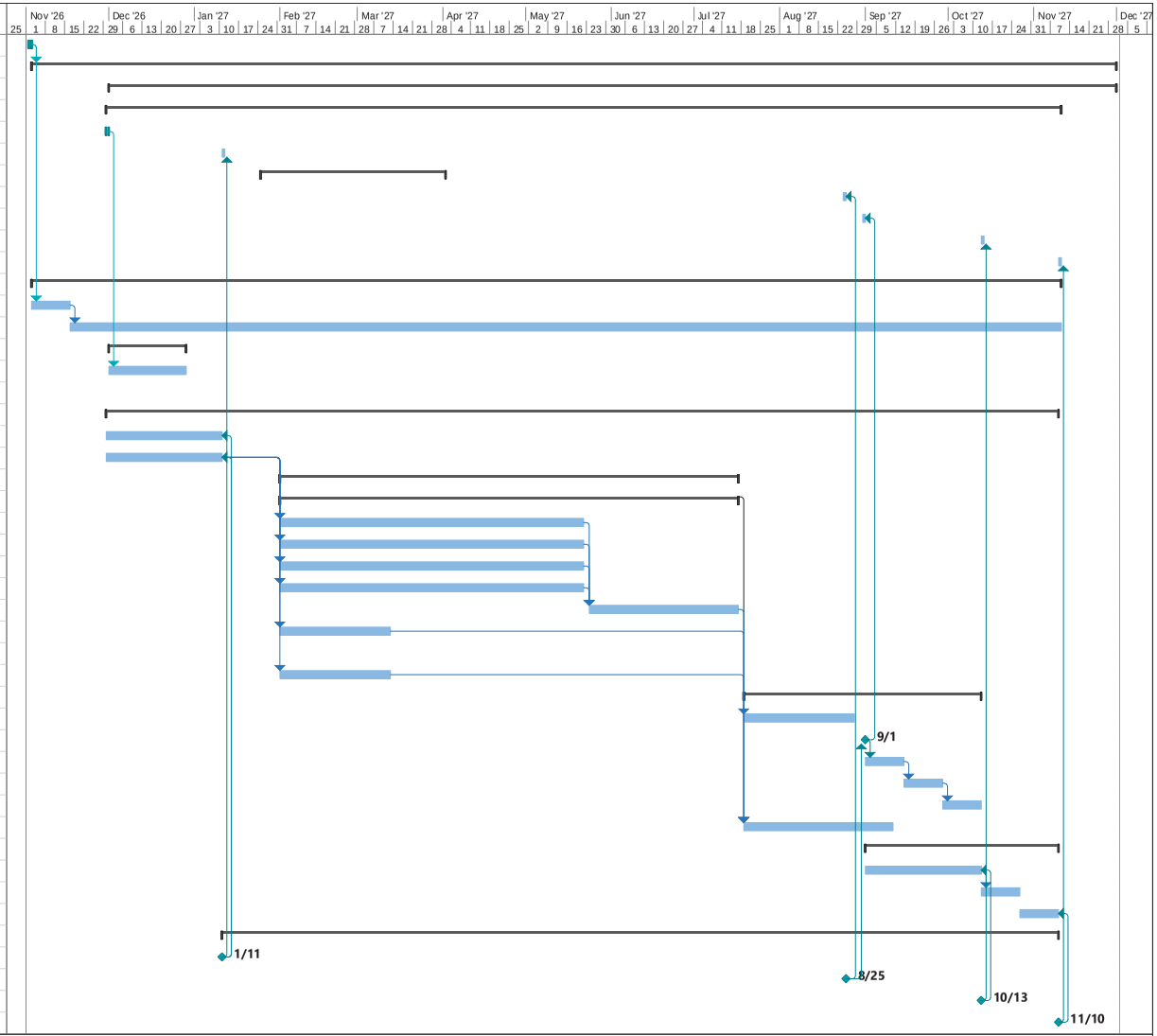
Section 5

Schedule



SCHEDULE

ID	Task Name	Duration	Start	Finish
1	Notice of Award	1 day	Mon 11/2/26	Mon 11/2/26
2	**Task 1 - Project Management**	**281 days**	**Tue 11/3/26**	**Wed 12/1/27**
3	**Task 1A - Monthly Status Reports**	**261 days**	**Tue 12/1/26**	**Wed 12/1/27**
17	**Task 1B - Meeitngs**	**248 days**	**Mon 11/30/26**	**Wed 11/10/27**
18	Kickoff Meeting (In-person)	1 day	Mon 11/30/26	Mon 11/30/26
19	Design Phase Field Assessment Plan	1 day	Mon 1/11/27	Mon 1/11/27
20	**Design Phase Field Assessment Coordination**	**49 days**	**Mon 1/25/27**	**Thu 4/1/27**
25	Field Assessment Data Submittal	1 day	Tue 8/24/27	Wed 8/25/27
26	CP System Improvements Workshop	1 day	Tue 8/31/27	Wed 9/1/27
27	Draft PDR Submittal Presentation	1 day	Wed 10/13/27	Wed 10/13/27
28	Final PDR Submittal Presentation	1 day	Wed 11/10/27	Wed 11/10/27
29	**Task 1C - Quality Assurance / Quality Control**	**267 days**	**Tue 11/3/26**	**Wed 11/10/27**
30	Project Management and QA/QC Plan	10 days	Tue 11/3/26	Mon 11/16/26
31	Deliverable QA/QC	257 days	Tue 11/17/26	Wed 11/10/27
32	**Task 1D - Safety**	**20 days**	**Tue 12/1/26**	**Mon 12/28/26**
33	Site Specific Safety Plan	20 days	Tue 12/1/26	Mon 12/28/26
34				
35	**Task 2 - Preliminary Design**	**247 days**	**Mon 11/30/26**	**Wed 11/10/27**
36	Task 2A - Desktop Study	30 days	Mon 11/30/26	Mon 1/11/27
37	Task 2B - Design Phase Field Assessment Plan	30 days	Mon 11/30/26	Mon 1/11/27
38	**Task 2C - Design Phase Field Assessments**	**120 days**	**Mon 2/1/27**	**Fri 7/16/27**
39	**1. Indirect Pipeline Condition Assessment**	**120 days**	**Mon 2/1/27**	**Fri 7/16/27**
40	Soil Corrosivity Survey	80 days	Mon 2/1/27	Fri 5/21/27
41	Electrical Continuity Testing	80 days	Mon 2/1/27	Fri 5/21/27
42	Potential Survey	80 days	Mon 2/1/27	Fri 5/21/27
43	AC/DC Stray Current Interference	80 days	Mon 2/1/27	Fri 5/21/27
44	Data Analysis	40 days	Mon 5/24/27	Fri 7/16/27
45	2. External Direct Condition Assessment	30 days	Mon 2/1/27	Fri 3/12/27
46	3. Optional Leak Detection			
47	4. Valve Assessment	30 days	Mon 2/1/27	Fri 3/12/27
48	**Task 2D - CP System Improvements**	**62 days**	**Mon 7/19/27**	**Tue 10/12/27**
49	CP System Improvements Analysis	30 days	Mon 7/19/27	Fri 8/27/27
50	CP Systems Improvement Workshop	0 days	Wed 9/1/27	Wed 9/1/27
51	Draft CP System Improvements Memorandum	10 days	Wed 9/1/27	Tue 9/14/27
52	District Review and Comment Response	10 days	Wed 9/15/27	Tue 9/28/27
53	Final CP System Improvements Memorandum	10 days	Wed 9/29/27	Tue 10/12/27
54	Task 2E - Detailed Inspection Alternatives Analysis	40 days	Mon 7/19/27	Fri 9/10/27
55	**Task 2F - Preliminary Design Report**	**50 days**	**Wed 9/1/27**	**Wed 11/10/27**
56	Draft Preliminary Design Report	30 days	Wed 9/1/27	Wed 10/13/27
57	District Review and Comment Response	10 days	Wed 10/13/27	Tue 10/26/27
58	Final Preliminary Design Report	10 days	Wed 10/27/27	Wed 11/10/27
59	**Task 2G - Preliminary Design Deliverables**	**217 days**	**Mon 1/11/27**	**Wed 11/10/27**
60	1. Design Phase Field Assessment Plan Submittal	0 days	Mon 1/11/27	Mon 1/11/27
61	2. Field Assessment Data Submittal	0 days	Wed 8/25/27	Wed 8/25/27
62	3. Draft PDR Submittal	0 days	Wed 10/13/27	Wed 10/13/27
63	4. Final PDR Submittal	0 days	Wed 11/10/27	Wed 11/10/27



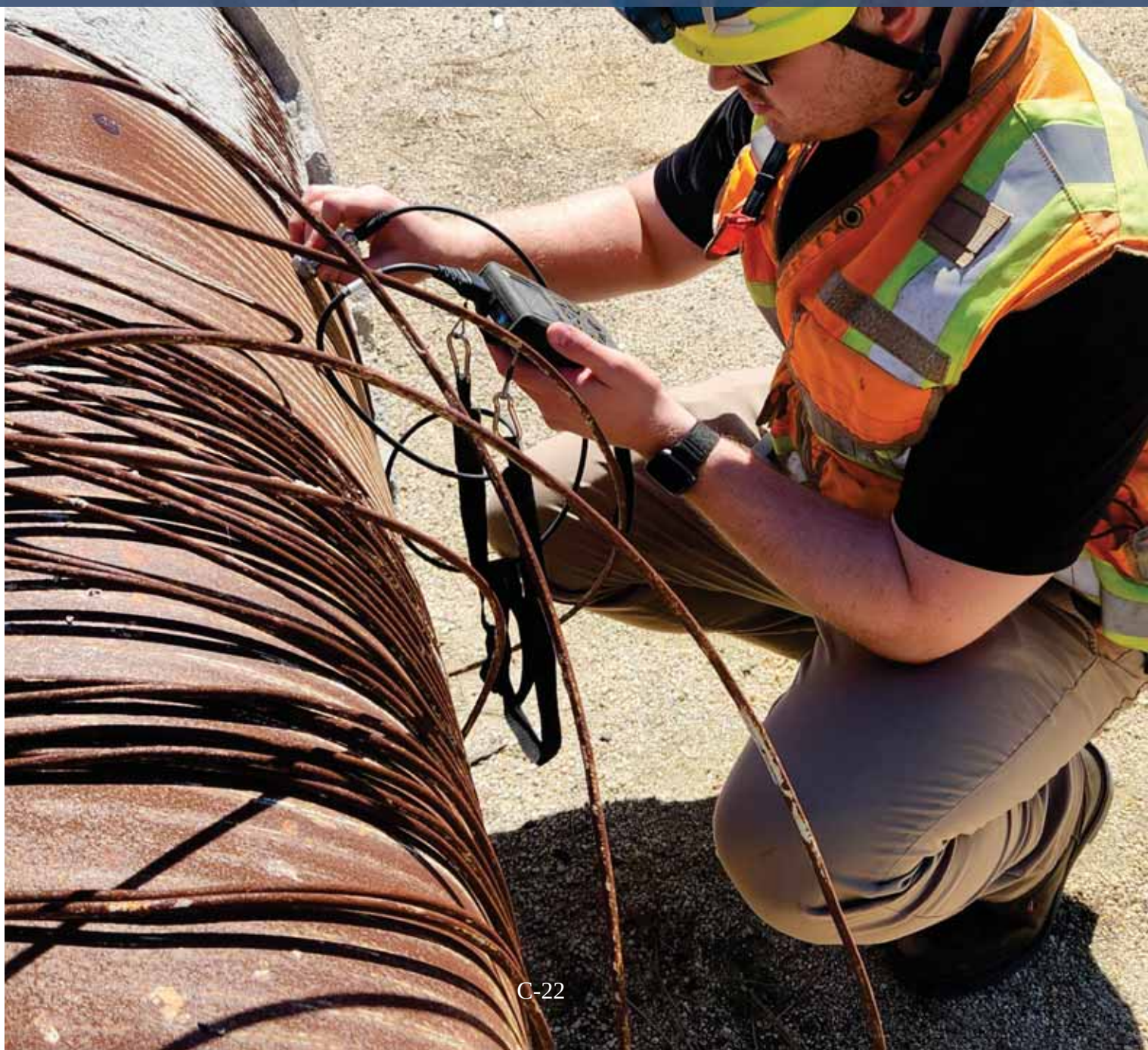
Project: Dyer Road Well Field P
Date: Thu 9/17/26

Task | Split | Milestone | Summary | Project Summary | Inactive Task | Inactive Milestone | Inactive Summary | Manual Task | Duration-only | Manual Summary Rollup | Manual Summary | Start-only | Finish-only | External Tasks | External Milestone | Deadline | Progress | Manual Progress



Section 6

Level of Effort and Estimate Fee



LEVEL OF EFFORT AND ESTIMATE FEE

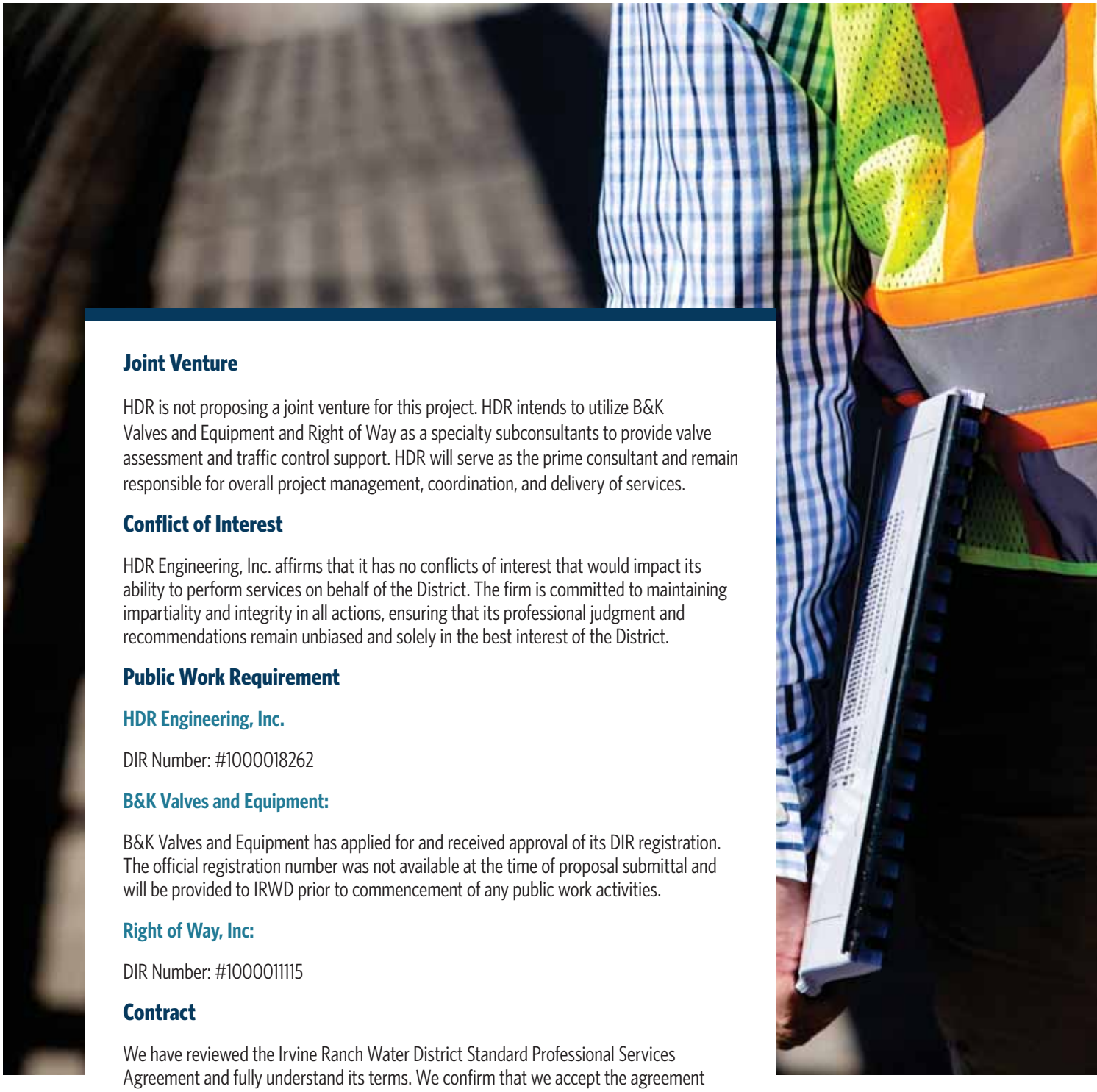
Irvine Ranch Water District
Dyer Road Well Field Pipeline Condition Assessment and Cathodic Protection System Improvements
Estimated Level of Effort and Fee

TASKS		LEVEL OF EFFORT																		FEE				
No.	Description	Principal	Project Manager	Cathodic Protection Technical Advisor (QA/QC)	Condition Assessment Technical Advisor (QA/QC)	Sr Inspection Alternatives Analysis	Inspection Alternatives Analysis	Cathodic Protection Engineer	Valve Assessment Specialist	Condition Assessment Technology Specialist	Field Inspection Engineer	Field Inspection Sr Technician	Field Inspection Sr Technician (Prevailing Wage)	Field Technician	Field Technician (Prevailing Wage)	GIS Manager	Safety Manager	Accountant	Project Coordinator	Total Labor	Labor	Subs	Direct Costs	Total	Rounded Total
	Client Billing Rates	*$430*	*$310*	*$330*	*$420*	*$360*	*$300*	*$195*	*$400*	*$335*	*$195*	*$175*	*$235*	*$140*	*$235*	*$225*	*$350*	*$175*	*$125*	*$236*					
1	**Project Management**																								
1A	Monthly Status Reports	3.0	32.0															26.0	12	73	$17,260	$0	$345	$17,605	
1B	Meetings																			0	$0	$0	$0	$0	
1B-1	Kickoff Meeting (In-person)	3.0	14.0							6.0										23	$7,640	$0	$218	$7,858	
1B-2a	Design Phase Field Assessment Plan		5.5						1.5		2.5									10	$2,793	$0	$56	$2,849	
1B-2b	Design Phase Field Assessment Coordination (4 - 1hr Meetings)		12.0								4.0	4.0								20	$5,200	$0	$104	$5,304	
1B-3	CP System Improvements Workshop		6.0	2.0				2.0												10	$2,910	$0	$58	$2,968	
1B-4	Field Assessment Data Submittal		5.0	2.0					1.0											8	$2,610	$0	$52	$2,662	
1B-5	Draft PDR Submittal Presentation		4.5	1.5		2.0			2.0	2.0										12	$4,080	$0	$82	$4,162	
1B-6	Final PDR Submittal Presentation		4.5	1.5		2.0			2.0	2.0										12	$4,080	$0	$82	$4,162	
1C	Quality Assurance / Quality Control		8.0																	8	$2,480	$0	$50	$2,530	
1D	Safety		6.0								6.0						4			16	$4,430	$0	$89	$4,519	
	Subtotal 1 | Project Management	**6**	**98**	**7**	**0**	**4**	**0**	**2**	**7**	**10**	**13**	**4**	**0**	**0**	**0**	**0**	**4**	**26**	**12**	**192**	**$53,483**	**$0**	**$1,136**	**$54,619**	**$54,600**
2	**Preliminary Design**																								
2A	Desktop Study					8.0	16.0	10.0	4.0	8.0	4.0	8.0				3.0				61	$16,765	$0	$335	$17,100	
2B	Design Phase Field Assessment Plan								4.0		8.0						2		6	20	$4,610	$0	$92	$4,702	
2C	Design Phase Field Assessment																			0	$0	$0	$0	$0	
2C-1	Indirect Pipeline Condition Assessment										32.0	185.0	190.0	72.0	190.0	40.0				709	$146,995	$14,647	$10,193	$171,836	
2C-2	External Direct Condition Assessment												30.0		30.0					60	$14,100	$0	$282	$14,382	
2C-3	Optional Leak Detection Assessment																			0	$0	$0	$0	$0	
2C-4	Valve Assessment								16.0											16	$6,400	$41,360	$128	$47,888	
2D	CP System Improvements Workshop			8.0				48.0												56	$12,000	$0	$240	$12,240	
2E	Detailed Inspection Alternatives Analysis				8.0	1.0	48.0			4.0										61	$19,460	$0	$389	$19,849	
2F	Preliminary Design Report							48.0												48	$9,360	$0	$187	$9,547	
2G	Preliminary Design Deliverables									8.0										8	$2,680	$0	$54	$2,734	
2G-1	Design Phase Field Assessment Plan Submittal																			0	$0	$0	$0	$0	
2G-2	Field Assessment Data Submittal																			0	$0	$0	$0	$0	
2G-3	Draft PDR Submittal			10.0	10.0		4.0	8.0	2.0	4.0										38	$12,400	$0	$248	$12,648	
2G-4	Final PDR Submittal			4.0	4.0		1.0	16.0		2.0										27	$7,090	$0	$142	$7,232	
																				0	$0	$0	$0	$0	
	Subtotal 2 | Preliminary Design	**0**	**0**	**22**	**22**	**9**	**69**	**130**	**26**	**26**	**44**	**193**	**220**	**72**	**220**	**43**	**2**	**0**	**6**	**1,104**	**$251,860**	**$56,007**	**$12,290**	**$320,158**	**$320,200**
	TOTAL, hours	**6**	**98**	**29**	**22**	**13**	**69**	**132**	**33**	**36**	**57**	**197**	**220**	**72**	**220**	**43**	**6**	**26**	**18**	**1,296**					
	TOTAL, dollars																				**$305,343**	**$56,007**	**$13,426**	**$374,777**	**$374,800**

Section 7

Joint Venture, Conflict of Interest, Public Work Requirement & Contract





Joint Venture

HDR is not proposing a joint venture for this project. HDR intends to utilize B&K Valves and Equipment and Right of Way as a specialty subconsultants to provide valve assessment and traffic control support. HDR will serve as the prime consultant and remain responsible for overall project management, coordination, and delivery of services.

Conflict of Interest

HDR Engineering, Inc. affirms that it has no conflicts of interest that would impact its ability to perform services on behalf of the District. The firm is committed to maintaining impartiality and integrity in all actions, ensuring that its professional judgment and recommendations remain unbiased and solely in the best interest of the District.

Public Work Requirement

HDR Engineering, Inc.

DIR Number: #1000018262

B&K Valves and Equipment:

B&K Valves and Equipment has applied for and received approval of its DIR registration. The official registration number was not available at the time of proposal submittal and will be provided to IRWD prior to commencement of any public work activities.

Right of Way, Inc:

DIR Number: #1000011115

Contract

We have reviewed the Irvine Ranch Water District Standard Professional Services Agreement and fully understand its terms. We confirm that we accept the agreement as written and do not intend to take any exceptions. We would welcome the opportunity to review the final agreement with the District and discuss any mutually agreeable administrative clarifications or refinements that may be appropriate during contract negotiations.

Section 8

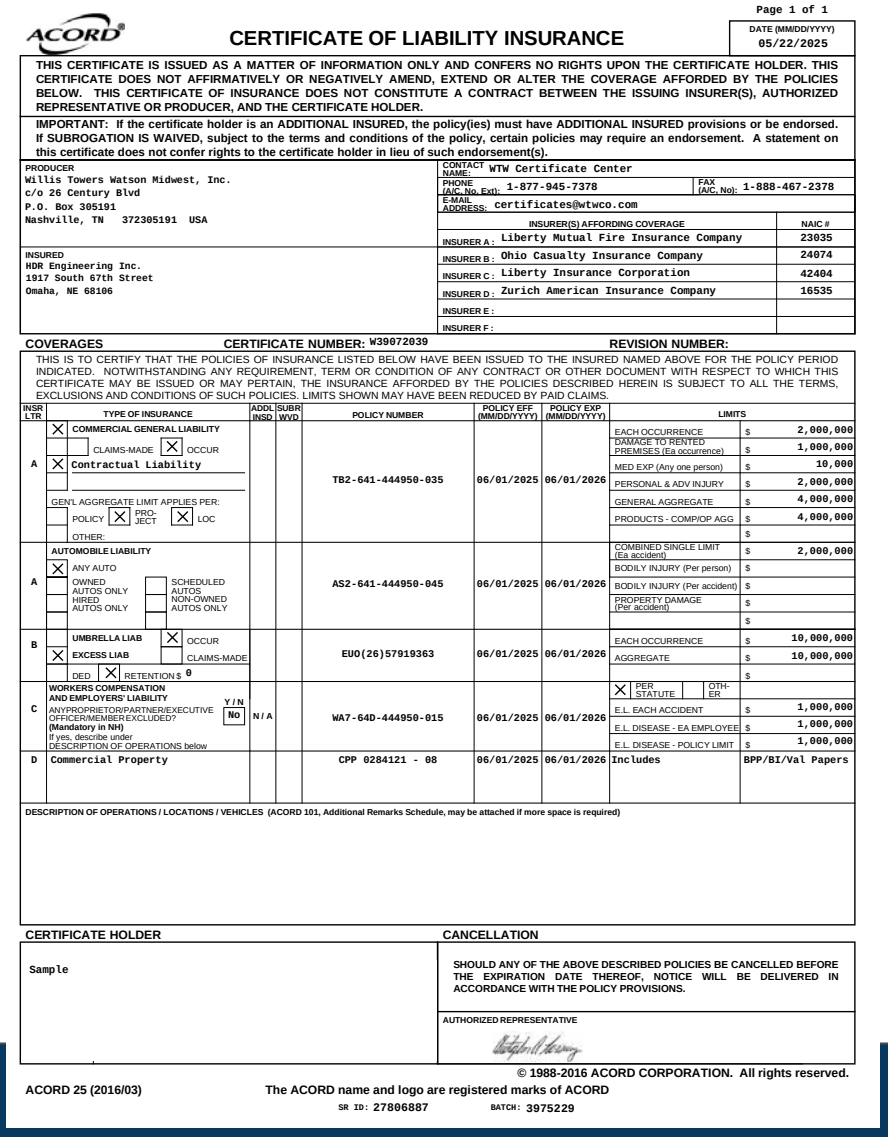
Insurance



Insurance

HDR is a fully-insured corporation with coverage in General Liability, Automobile Liability, Excess Liability, Workers' Compensation, and Professional Liability meeting the requirements of the project.

HDR has included the information requested throughout this RFP and organized the proposal to clearly address the District's evaluation criteria. The proposal demonstrates our understanding of the Project, qualifications of the proposed team, relevant experience, technical approach, and commitment to successfully supporting the District throughout the project.



Page 1 of 1

ACORD **CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY): 05/22/2025

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
Willis Towers Watson Midwest, Inc.
c/o 26 Century Blvd
P.O. Box 305191
Nashville, TN 372305191 USA

CONTACT NAME: WTW Certificate Center
PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378
E-MAIL ADDRESS: certificates@wtwco.com

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A :	Liberty Mutual Fire Insurance Company	23035
INSURER B :	Ohio Casualty Insurance Company	24074
INSURER C :	Liberty Insurance Corporation	42404
INSURER D :	Zurich American Insurance Company	16535
INSURER E :		
INSURER F :		

INSURED
HDR Engineering Inc.
1917 South 67th Street
Omaha, NE 68106

COVERAGES CERTIFICATE NUMBER: W39072039 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	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR X Contractual Liability GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT X LOC OTHER:			TB2-641-444950-035	06/01/2025	06/01/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 2,000,000 $ 1,000,000 $ 10,000 $ 2,000,000 $ 4,000,000 $ 4,000,000
A	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY			AS2-641-444950-045	06/01/2025	06/01/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 2,000,000 $ $ $
B	UMBRELLA LIAB X OCCUR X EXCESS LIAB CLAIMS-MADE DED X RETENTION $ 0			EUO(26)57919363	06/01/2025	06/01/2026	EACH OCCURRENCE AGGREGATE	$ 10,000,000 $ 10,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N: NO If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		WA7-64D-444950-015	06/01/2025	06/01/2026	X PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000
D	Commercial Property			CPP 0284121 - 08	06/01/2025	06/01/2026	Includes	BPP/BI/Val Papers

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER
Sample

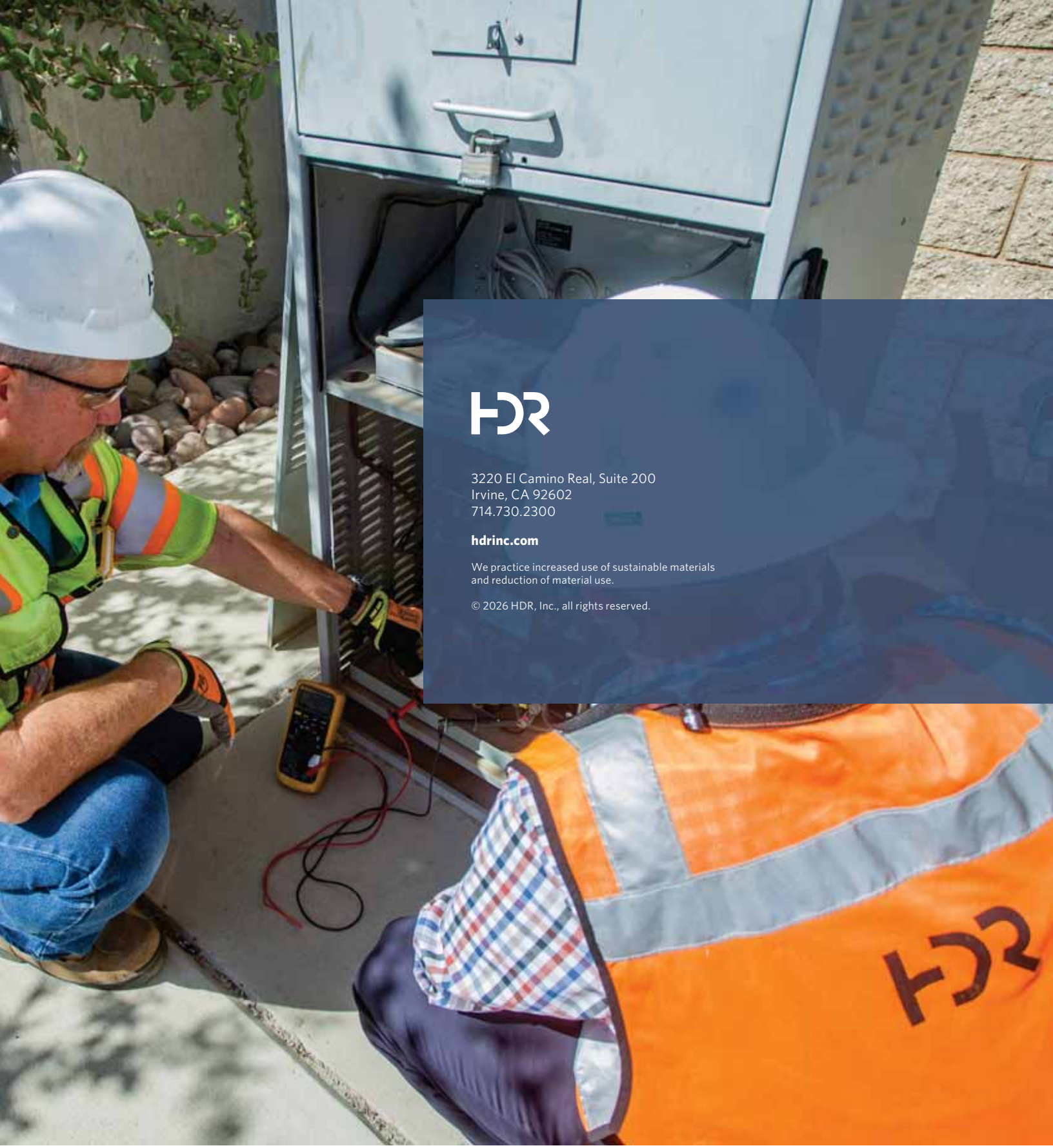
CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2016 ACORD CORPORATION. All rights reserved.

ACORD 25 (2016/03) The ACORD name and logo are registered marks of ACORD
SR ID: 27806887 BATCH: 3975229

HDR has maintained professional liability insurance in force continually since 1958 for the protection of clients and our company.



3220 El Camino Real, Suite 200
Irvine, CA 92602
714.730.2300

hdrinc.com

We practice increased use of sustainable materials and reduction of material use.

© 2026 HDR, Inc., all rights reserved.

October 22, 2026
Prepared by: R. Thatcher / J. Moeder
Submitted by: K. Burton
Approved by: Paul A. Cook

ENGINEERING AND OPERATIONS COMMITTEE

SANTIAGO CREEK DAM IMPROVEMENT
EASEMENT AND REIMBURSEMENT AGREEMENT

SUMMARY:

The Santiago Creek Dam Improvement Project requires easements from the County of Orange to construct the improvements. Over the past several years, staff has worked with the County of Orange on a comprehensive Easement and Reimbursement Agreement, which is now ready for County of Orange and IRWD Board approval. Staff recommends that the Board authorize the General Manager to execute the Easement and Reimbursement Agreement and non-substantive changes in the amount of $135,044 for the easements necessary to construct the Project and other Project-related responsibilities.

BACKGROUND:

The Project requires easements from the County, which includes the political subdivision Orange County Waste & Recycling (OCWR) that owns and operates the closed Santiago Landfill and OC Parks that manages the vast majority of land surrounding Irvine Lake. In 2020, staff began working with OCWR and OC Parks on the proposed improvements and related easement requirements. In 2022, IRWD delivered a formal letter to the Orange County Real Estate Office indicating its intent to acquire easements from the County. The Easement and Reimbursement Agreement (Agreement) is a comprehensive agreement with the County and its impacted subdivisions that includes the easements summarized in Exhibits "A", "B", and "C", along with other related agreements, to successfully complete the Project. The major components of the Agreement are summarized below.

Easement for Vehicular Access Across Landfill:

The County will grant a vehicular access easement through the closed Santiago Landfill that provides construction access for the dam contractor during construction and permanent access to the Santiago Creek Dam to IRWD. The permanent access through the landfill is considered "all-weather" access since typical access through Irvine Regional Park and the Irvine Ranch Open Space along Santiago Creek to the base of the dam is compromised when the spillway is in use, and the flows in Santiago Creek prevent vehicular crossings. Exhibit "A" shows the access easement through the landfill.

Easement for Temporary Construction and Access:

The County will grant a temporary construction and access easement for construction activities, drainage diversion, and to stage equipment and materials in support of constructing the dam improvements, as well as to restore and maintain the area at the end of the Project. Exhibit "B" shows the temporary construction and access easement.

Easement for the Permanent Improvements:

The County will grant non-exclusive easements for the permanent improvements, including the spillway, slope and rock anchor wall, Irvine Lake Pipeline, embankment, and vehicular access to the inlet-outlet structure. Exhibit "B" shows the easements for the permanent improvements.

Easement for Southern California Edison Electrical Relocation:

The County and IRWD will exchange easements for relocating the Southern California Edison (SCE) overhead power lines to remove conflicts with the proposed improvements. The overhead power lines currently serve 1) the OCWR Santiago Landfill, 2) Santiago Creek Dam, and 3) Metropolitan Water District of Southern California's OC-13A flowmeter that is located on the Santiago Lateral. Approximately 35% of the overhead power line relocation work is requested pursuant to an existing Power Line Relocation Agreement dated July 24, 2001 and as such, OCWR will reimburse IRWD for its share of the relocation work. The total cost for the SCE electrical relocation is $301,548.69. Exhibit "B" shows the easements for the electrical relocation.

Easement for OCWR Drainage:

The County and IRWD will exchange easements for a new drainage channel from the Santiago Landfill. The Santiago Landfill currently includes an armored channel that conveys storm water flows from most of the landfill site and discharges the flow into Santiago Creek at the termini of the existing Santiago Creek Dam spillway. As part of the Project, and specifically the spillway construction, the Santiago Landfill storm drain channel will continue from OCWR property, pass through a sliver of IRWD property, and continue onto County property where it will discharge at the termini of the new spillway structure and flow into Santiago Creek. Per the Agreement, the County will be responsible for maintaining the drainage channel. Exhibit "B" shows the OCWR drainage easement.

Reciprocal Access Easements at Boat Shop:

The County and IRWD will exchange easements near the Irvine Lake Concession Stand and the Irvine Lake Boat Shop. In 2024, as part of the Purchase and Sale Agreement with Serrano Water District, IRWD inherited the Boat Shop that Serrano Water District used when boating activities were permitted on the lake. The area is located adjacent to the concrete boat launch and adjacent to the lake parking lot. Both the County and IRWD have used these paved and unpaved areas with mutual awareness and without a formal easement. This easement will provide a continuous access easement to IRWD from Santiago Canyon Road to Irvine Lake through the concession area. During construction of the Santiago Creek Dam Improvement Project, James Event Productions, the current tenant at Irvine Lake, will be temporarily expanding their RV storage parking lot on County land and utilizing the parking area between the Irvine Lake Boat Shop and the Irvine Lake Concession Stand. IRWD will be offering the Boat Shop to the Dam Contractor for potential use as a mechanical repair shop or construction material storage. Exhibit "C" shows the reciprocal easements near the Boat Shop.

Well Project License Agreement:

Included in the Agreement for the Santiago Creek Dam Improvement Project is a Well Project License Agreement. The Santiago Landfill includes numerous monitoring wells that are used to monitor and detect potential groundwater contamination from the landfill. One monitoring well, Monitoring Well A, is located along the Irvine Lake Pipeline immediately adjacent to the proposed spillway structure and is in direct conflict with the Project. Staff worked with OCWR and the Regional Water Quality Control Board (RWQCB), the regulatory agency that oversees the OCWR's monitoring wells and the closed landfill, to demolish Monitoring Well A and reconstruct a replacement monitoring well. Both OCWR and the RWQCB have agreed to the relocation of the monitoring well, which will be completed by the Dam Contractor at IRWD's expense and with OCWR and RWQCB oversight.

Some of the easements in the Agreement are within a Conservation Easement Area that is managed by the Orange County Parks Foundation (OCPF). Prior to finalizing the terms of the Agreement, staff presented the work in the Conservation Easement Area to OCPF. In June of this year, OCPF provided consent for the work in the Conservation Easement Area provided various conditions are met including, but not limited to, reimbursing OCPF for reasonable expenses incurred in their review of the request, and restoring the impacted area at the end of the Project with a restoration plan that is approved by the Resource Agencies and reviewed by OCPF.

Staff contracted with Pacific Real Estate Consultants to prepare an appraisal for the various easements included in the Agreement. The cost of the easements and other related Agreement costs are as summarized in Table 3 of the Agreement. The total IRWD cost of the various easements is $135,044. The Agreement includes other Project-related costs such as the construction of a new monitoring well and the SCE power line relocation, which will be determined as the work is completed.

Schedule:

The design of the Santiago Creek Dam Improvement Project is nearing completion, and staff anticipates advertising for construction in early 2027. With an early 2027 construction advertisement, the Dam Contractor would mobilize to the site in Summer 2027 and start significant construction activities towards the middle of September when the bird nesting season ends. Included in the Easement and Reimbursement Agreement are the easements for SCE to relocate nearly half a mile of overhead power lines that directly conflict with the dam improvements. To minimize the potential for delaying the dam contractor, staff coordinated the SCE relocation work to start in November 2026 and complete ahead of the bird nesting season that typically starts towards the end of January to the middle of February.

Staff from County of Orange Real Estate is presenting the Easement and Reimbursement Agreement at the October 27 County Board meeting.

FISCAL IMPACTS:

The Santiago Creek Dam Improvements, Project 01813, is included in the FY 2026-27 Capital Budget. Sufficient budget is available to fund the recommendations presented herein.

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA). The Santiago Creek Dam Improvement Project Final Environmental Impact Report (EIR) was adopted by the IRWD Board of Directors on November 10, 2025. A Notice of Determination was filed with the Orange County Clerk-Recorder and California State Clearinghouse on November 12, 2025.

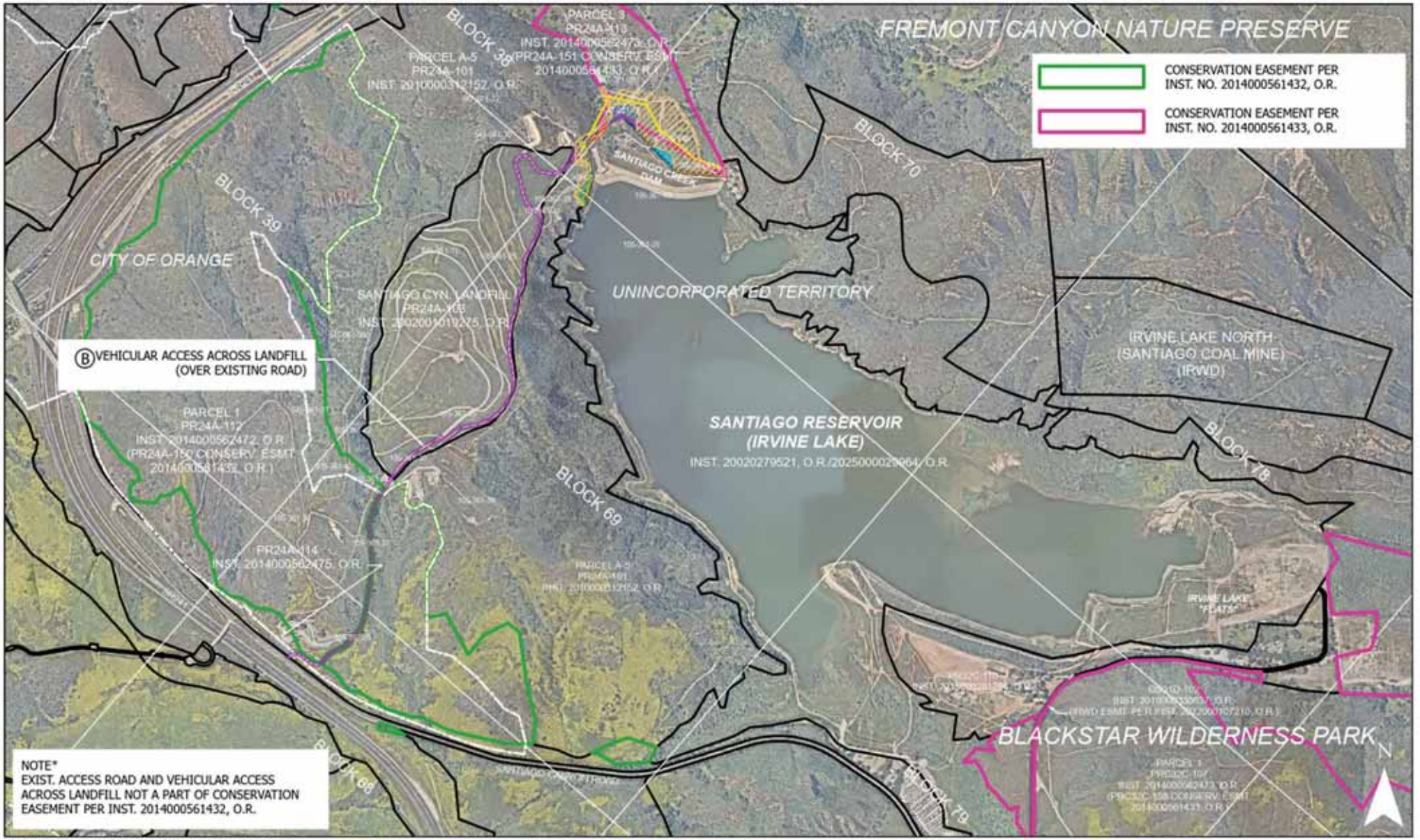
RECOMMENDATION:

That the Board authorize the General Manager to execute the Easement and Reimbursement Agreement and non-substantive changes in the amount of $135,044 for the easements necessary to construct the Project and other Project-related responsibilities for the Santiago Creek Dam Improvement, Project 01813.

LIST OF EXHIBITS:

Exhibit “A” – Access Easement through OCWR Santiago Landfill
Exhibit “B” – Easements around Santiago Creek Dam
Exhibit “C” – Reciprocal Easement around Boat Shop
Exhibit “D” – Easement and Reimbursement Agreement

Exhibit "A"



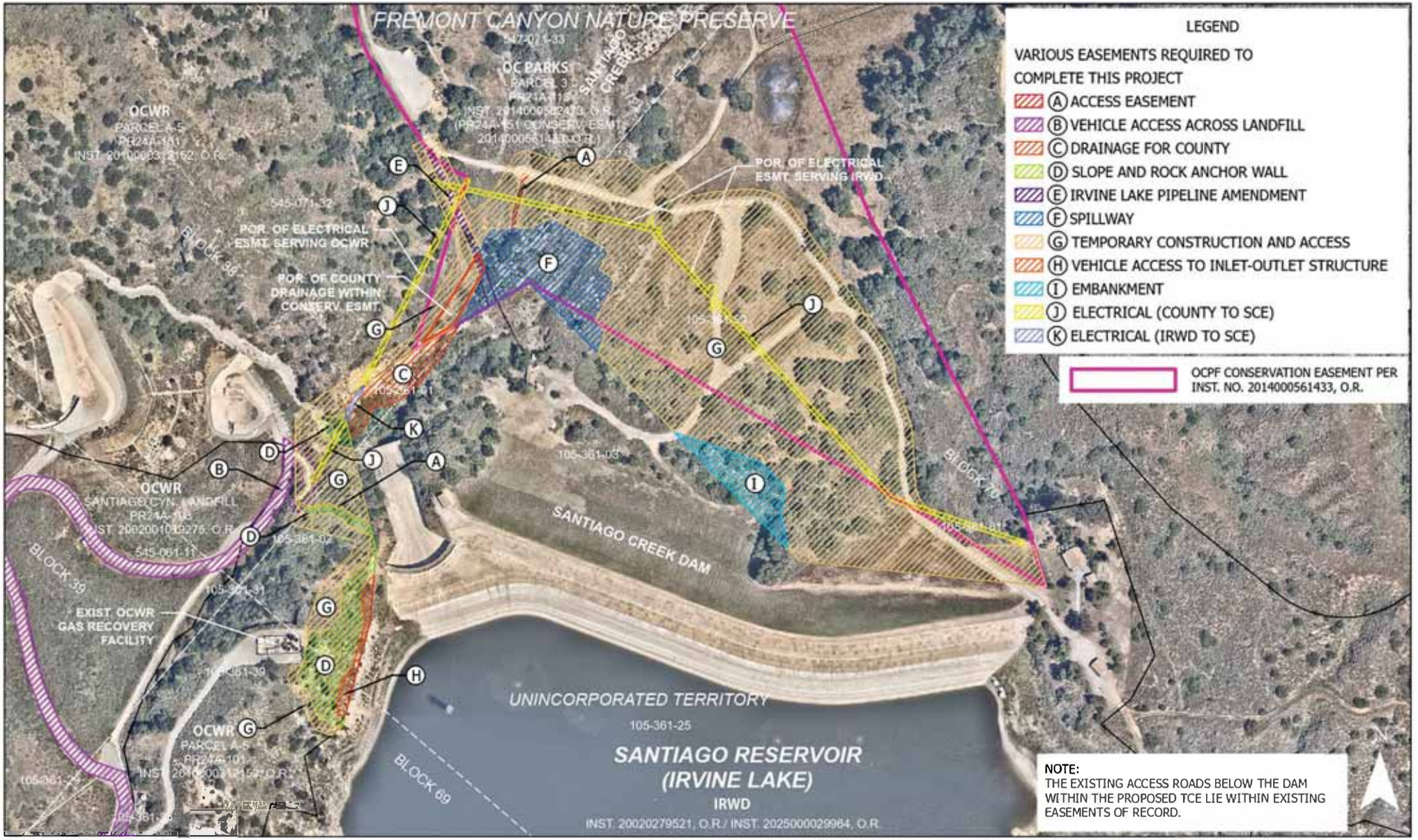
SUMMARY OF EASEMENTS
7-20-26

0 500 1,000 2,000 Feet

SHEET 1

Note: This page is intentionally left blank.

Exhibit "B"

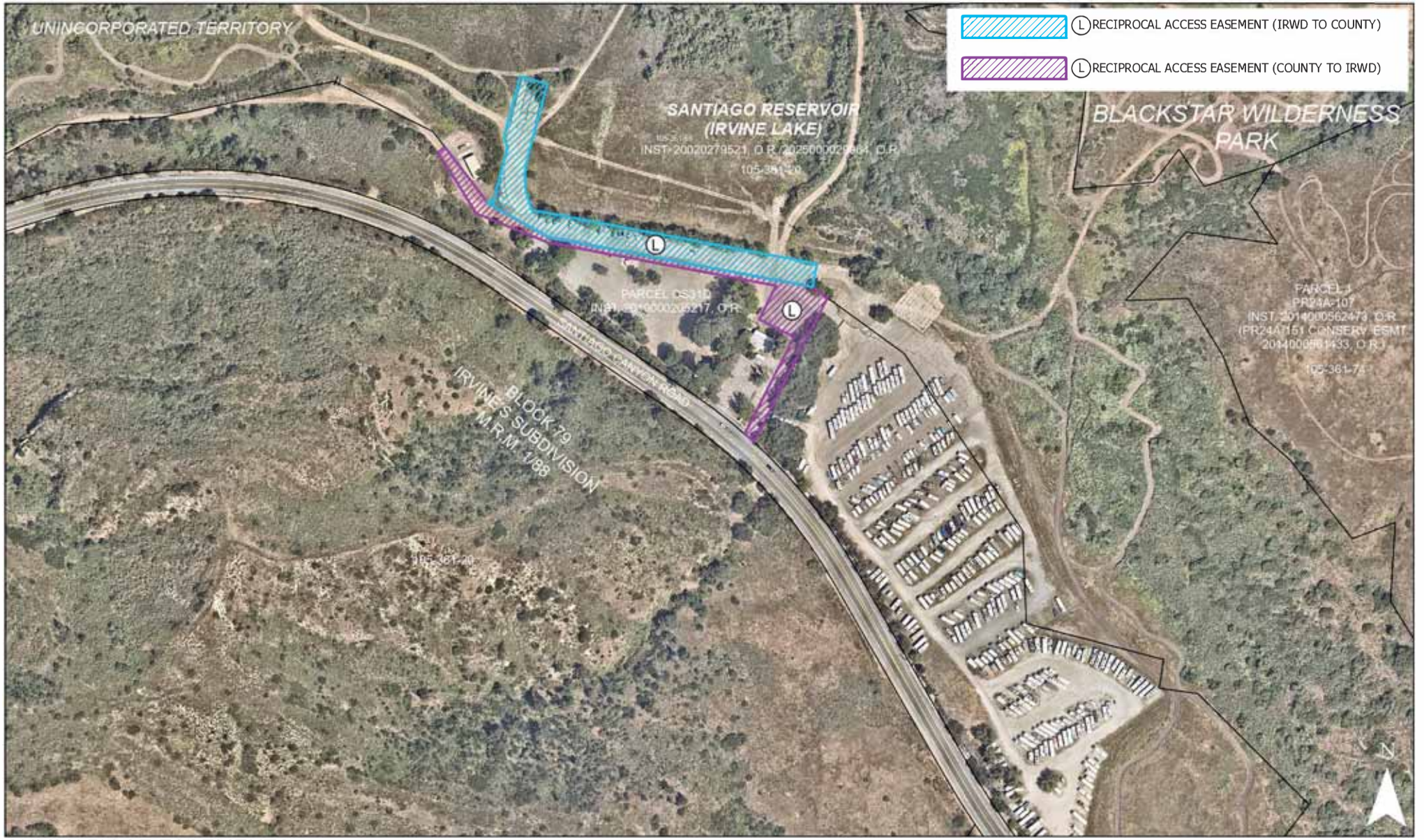


SUMMARY OF EASEMENTS
7-20-26

SHEET 2

Note: This page is intentionally left blank.

Exhibit "C"



SUMMARY OF EASEMENTS
7-20-26

SHEET 3

Note: This page is intentionally left blank.

EASEMENT AND REIMBURSEMENT AGREEMENT
(SANTIAGO CREEK DAM IMPROVEMENT PROJECT)

This Easement and Reimbursement Agreement for Santiago Creek Dam Improvement Project ("**Agreement**"), is effective as of _____, 2026 ("**Effective Date**"), and is among IRVINE RANCH WATER DISTRICT, a California water district organized under and existing pursuant to Section 34000 *et seq.* of the California Water Code ("**IRWD**" or the "**District**"), the COUNTY OF ORANGE**,** a political subdivision of the State of California (the "**County**"), through ORANGE COUNTY WASTE AND RECYCLING ("**OCWR**") and ORANGE COUNTY PARKS (**"OC PARKS"**), each individually known as "**Party**" and collectively known as the "**Parties**."

A. The District[1] is the fee owner of a dam and reservoir facility commonly known as "Irvine Lake" or the "Santiago Reservoir" (the "**Reservoir Property**"), which is formed by Santiago Creek Dam. The District uses water from the Reservoir Property to supply its water customers and conduct activities consistent with certain restrictions as defined, set forth, and recorded in the *Declaration of Covenants and Restrictions and Termination of Reversionary Rights (Irvine Lake),* recorded as Document No. 2022000107214 in the Official Records of Orange County on March 18, 2022 ("**Declaration**").

B. The District is planning a dam improvement project at the Reservoir Property that largely consists of replacing the existing spillway structure and outlet tower with a new spillway structure and inclined outlet structure, embankment improvements, and other related site improvements. The construction of the improvements (collectively the **"Project**") is anticipated to begin in 2027. The Project, which is required by the Department of Water Resources Division of Safety of Dams, is to ensure the protection of the public and the environment by making dam safety improvements. As such, the Project is a high priority for IRWD, the region, and the Parties involved with its completion. IRWD is the lead agency for the Project. IRWD analyzed the environmental impacts of the Project in its Final Environmental Impact Report, which was certified in November 2025 (State Clearinghouse Number 2023050097).

C. The Project will impact property owned by the County and administered by OCWR and OC PARKS, a portion of which is subject to a conservation easement managed by the OC Parks Foundation ("**OCPF**"), as identified in the Exhibit titled "Summary of Easements". To assist the District with the Project, the County, as the signatory to the OCPF conservation easement ("**Conservation Easement**"), has facilitated coordination with OCPF. As further described in Section 3, the District shall be responsible for the preparation of any documentation and all costs associated with seeking and implementing OCPF approval for the Project (the "**OCPF Conservation Easement Consent.**")

D. OCWR operates the closed Santiago Landfill, adjacent to the Reservoir Property. On July 24, 2001, IRWD and County both executed a *Power Line Relocation Agreement* ("**Relocation Agreement"**) under which IRWD granted an easement to Southern California

[1] IRWD used to own the Reservoir Property jointly with Serrano Water District (SWD). SWD conveyed all of its right, title, and interest in the Reservoir Property to IRWD in the beginning of 2025.

Edison Company (**"SCE"**) to the benefit of OCWR for providing power to the Santiago Landfill. The Relocation Agreement provides that IRWD can make a one-time request that the County relocate the easement area and power line at the County's expense. As such, the SCE relocation that serves OCWR will be incorporated into the Project and fulfill the one-time relocation identified in the Relocation Agreement. The SCE relocation will require the conveyance of easement rights and certain mitigation actions, as further described in this Agreement.

E. To assist the District with the Project, the District and the County will obtain certain property rights from one another and grant certain rights to SCE. The purpose of this Agreement is to outline the process for the acquisition and conveyance of the property rights to facilitate the District's Project as further described in Section 2 as well as address environmental mitigation, maintenance obligations, and construction cost allocation responsibilities as further described in this Agreement.

The Parties therefore agree as follows:

1. SCOPE OF AGREEMENT

This Agreement specifies the roles and responsibilities of the Parties as they pertain to the acquisition and conveyance of property rights, impacts to the Conservation Easement, environmental mitigation, and construction cost allocation for the Project. Each Party shall cooperate with one another in all activities covered by this Agreement and any other supplemental agreements that may be required to facilitate the purposes of this Agreement.

2. PROPERTY RIGHTS

2.1 Easement Conveyance. The Parties shall convey the temporary and permanent easements and other property rights outlined in Section 2.4 below. The particular property rights conveyance documents will contain additional information including the ongoing maintenance obligations of the easement grantor or grantee, and where there is a conflict between the conveyance instrument or this Agreement, the conveyance instrument will prevail.

2.2 Timing. The Parties shall process and convey the easements described in this section as expeditiously as reasonably possible.

2.3 Easement Valuation. The value of the easements has been determined based on appraisals prepared by IRWD. The value of the easements are included in the overall settlement of costs between the Parties as outlined in Table 3.

2.4 Property Rights. The County shall grant to the District, and the District shall grant to the County[2], easements or other property rights as described

[2] Unless indicated in the title description (e.g., "for County"), all of the easements listed in 2.4 will be granted to IRWD.

below and outlined in Exhibit Table 3 and generally in the form of the easements attached in Exhibit 2, which may be subject to final minor, non-material adjustment or modification to accommodate the Project as approved by the Parties and their counsel.

A. Access Easement

The County will grant IRWD two permanent pedestrian and vehicular access easements from the Santiago Landfill to IRWD's property to access Santiago Creek Dam and related facilities for operation and maintenance purposes.

B. Vehicular Access Easement Across Landfill

The County will grant IRWD a vehicular access easement through the Santiago Landfill over existing roads for purposes of providing construction access for the Project and for permanent access to the facility after the Project is completed. IRWD will maintain its locks on the landfill gates. After completion of the Project, the District will restore the landfill road to at least pre-Project status to the satisfaction of the County.

C. Drainage Easement for County

Title records do not show an existing drainage easement in favor of the County across IRWD's property. IRWD will convey to County a Drainage Easement along the new spillway structure for purposes of continuing to convey storm drain flows from the existing storm drain channel from Santiago Landfill and extending from the northern edge of the Santiago Landfill to Santiago Creek downstream of the new spillway structure.

D. Slope and Rock Anchor Wall Easement

The County will grant IRWD a slope and rock anchor wall easement along the County's property adjacent to the Landfill for the purpose of slope and hillside stability, including constructing erosion control measures, such as concrete slopes, rock anchors, tie backs, soil nails, retaining walls, and the like to ensure a stable surface and protect the Project and the County's property.

Prior to construction within the easement area, IRWD shall provide plans for County review and comment limited to consistency with County operational needs, environmental resource protection requirements, and conservation easement obligations. The County shall not unreasonably withhold, condition, or delay its concurrence for such purposes.

E. Irvine Lake Pipeline Easement Amendment

IRWD already holds an easement for the Irvine Lake Pipeline along the Santiago Creek. The Parties intend to amend the existing easement to allow for the relocation of a portion of the existing Irvine Lake Pipeline to a new location near the same location and alignment as the existing pipeline.

F. Spillway Easement

The County will grant IRWD a permanent, non-exclusive spillway easement solely for purposes of constructing and maintaining the spillway structure and related facilities.

G. Temporary Construction and Access Easement

The County will grant IRWD a temporary construction easement ("**TCE**") for purposes of constructing the Project. The TCE also includes temporary access for IRWD to enter County property and perform full restoration and maintenance of certain areas temporarily impacted by the Project to pre-project conditions or better as approved by the County.

H. Vehicular Access Easement to Inlet/Outlet Structure

The County will grant IRWD a vehicular access easement east of OCWR's Gas Recovery Facility and along Irvine Lake to IRWD's property for purposes of accessing Santiago Creek Dam. IRWD will construct this new access road.

I. Embankment Easement

The County will grant to IRWD an non-exclusive easement for permanent embankment improvements on the face of the dam constructed as part of the Project.

J. Electrical Easements (County to SCE)

Pursuant to the Relocation Agreement, SCE will relocate power lines providing service to the Santiago Landfill. IRWD will coordinate the easement location and improvements in the easement area with SCE and the County.

A portion of the Electrical Easement is for the benefit of IRWD and serves Santiago Creek Dam. The County will grant an easement to SCE for this purpose. IRWD will coordinate the easement location and improvements in the easement area with SCE.

K. Electrical Easements (IRWD to SCE)

Pursuant to the Relocation Agreement, SCE will relocate power lines providing service to the Santiago Landfill. IRWD will coordinate the easement location and improvements in easement area with SCE and the County.

A portion of the Electrical Easement is for the benefit of IRWD and serves Santiago Creek Dam. The County will grant an easement to SCE for this purpose. IRWD will coordinate the easement location and improvements in the easement area with SCE.

L. Reciprocal Access Easements Near Boat House

The County will grant to IRWD, and IRWD will grant to the County, reciprocal access easements across the roads and parking lot areas near the concrete boat ramp and boat house.

M. Well Project License Agreement

During construction of the Project, IRWD's contractor will need to demolish one of the existing landfill monitoring wells and drill a new replacement well. OCWR, IRWD, and the respective consultants have been coordinating on this item. OCWR recently reviewed the request with the State Water Resources Control Board (SWRCB), who regulates the landfill and oversight of the monitoring wells. The cost for destruction and replacement will be IRWD's responsibility and the work needs to be carried out according to a work plan reviewed and approved by SWRCB.

3. OCPF CONSERVATION EASEMENT CONSENT

The Project will result in both temporary and permanent impacts on portions of County property that are encumbered by the Conservation Easement managed by the OCPF. IRWD is not a signatory to the Conservation Easement and thus requires assistance from the County, as owner of the land and successor to the Conservation Easement grantor, to assist the District to coordinate with OCPF to obtain approval for Project impacts within the Conservation Easement area. Six (6) easements described in Section 2 will impact the Conservation Easement area: (1) the Access Easement (item A); (2) the Temporary Construction and Access Easement (item G); (3) a portion of the relocated Irvine Lake Pipeline Easement (item E); (4) Drainage Easement for County (item C); (5) Electrical Easements (item J); and (4) the Spillway Easement (item F).

3.1 OCPF Conservation Easement Approval and Implementation

A. Pursuant to a letter dated June 19, 2026 (the "**Letter Agreement**"), which is attached to the *Easement and Reimbursement Agreement (Santiago Creek Dam Improvement Project) as Exhibit 3*, OCPF's

governing board has consented to IRWD's acquisition of the six easements described above. IRWD will work with the County and OCPF and shall satisfy all the conditions described in the Letter Agreement.

B. The County will cooperate with District and OCPF for the purpose of the District's compliance with any conditions required by the Conservation Easement or described in the Letter Agreement, for example, by participating in negotiations or reviewing agreements or plans in a timely manner.

C. The District shall be solely responsible for the preparation of any reports, plans, or other documentation necessary to satisfy requests by OCPF and processes required by the Conservation Easement or the Letter Agreement for the Project.

D. The District shall be solely responsible for the cost and compliance for any work related to the conditions imposed on the Project by any regulatory agency and OCPF arising from the Conservation Easement or the Letter Agreement, including but not limited to, land enrollment, mitigation, short- and long-term land management requirements for habitat impacts.

E. The District shall be responsible for its costs associated with obtaining OCPF's remaining approvals for the Project, including but not limited to, the preparation of documentation, agency coordination, and implementing conditions set forth in the Letter Agreement.

F. The District shall indemnify the County and hold the County harmless for any claims asserted against the County by OCPF for the District's work for the Project within the Conservation Easement area.

2. ENVIRONMENTAL REVIEW

As part of the Project, IRWD prepared an Environmental Impact Report ("**EIR**"), which its Board of Directors approved on November 10, 2025. As it relates to the County, there are two types of takes that were tracked and accounted for separately by IRWD. The two takes are summarized below.

2.1 Environmental Take on County Property for IRWD's Project

A. The Project will require the temporary and permanent removal of sensitive habitat as identified in the EIR. IRWD and the County are participating landowners in the Natural Community Conservation Plan/Habitat Conservation Plan ("**NCCP/HCP**") and each have

allotted Incidental Take Credits, which can be used to offset project impacts to covered habitat types.

B. Vegetation impacts resulting from the Project that occur on County property within NCCP/HCP areas will not be deducted from the County's take credit reserve. IRWD shall be responsible for mitigating all Project-related impacts through one or more of the following of 1) use of IRWD's NCCP/HCP take credit allocation; 2) restoration of areas temporarily impacted; and/or 3) restoration of habitat at an on-site or off-site location(s) as approved by the U.S. Fish and Wildlife Service and California Department of Fish and Wildlife ("**Resource Agencies**").

C. The County shall not be obligated to provide County-owned property for habitat mitigation purposes, including those which may be required by OCPF for impacts to the Conservation Easement. If IRWD is unable to meet its mitigation responsibilities using IRWD's property, the Parties may meet and confer regarding the potential use of County property. Any use of County-owned property for mitigation shall require prior written approval from the County, which shall retain full discretion regarding the use of County property for IRWD's habitat mitigation.

D. IRWD shall be responsible for all costs associated with mitigation ratios, preparation of mitigation plans, coordination with Resource Agencies, and fulfillment of EIR commitments. IRWD shall comply with all requirements of state and federal law and any requirements imposed by the Resource Agencies.

E. As described in the certified EIR, vegetation impacts on County lands that require mitigation for the Project are summarized in Table 1. The figures included in Table 1 are approximate and based on IRWD's most recent analyses. IRWD shall work with the Resource Agencies to reconcile and confirm the final habitat impacts upon completion of the Project.

F. The Project will result in permanent and temporary impacts to "jurisdictional resources' on County property, defined as resources or features that are subject to the jurisdiction of the Resource Agencies, including Waters of the United States, waters of the State, and resources under the regulatory authority of the California Department of Fish and Wildlife. IRWD shall obtain all required regulatory permits prior to performing work within jurisdictional areas and shall compensate for impacts to jurisdictional features including the County lands. Further, IRWD agrees to indemnify and hold harmless the County for any enforcement actions taken by any of the Resource Agencies or

conservation easement holders with regard to habitat impacts or mitigation activities related to the Project.

G. Jurisdictional resource impacts on County lands requiring mitigation for the Project are summarized in Table 2. Final mitigation will be subject to approval by the Resource Agencies and reconciled following completion of the Project.

2.2 Potential Environmental Impacts on County Property for OCWR's Relocation of SCE's Overhead Powerline

As described above, the Project includes relocating overhead SCE powerlines for the County's benefit. The environmental impacts associated with this work are included in the EIR for the Project, tracked separately, and the take will come from the County's NCCP/HCP take credit reserve via OCWR take credit allocation. The County will be responsible for any impacts to jurisdictional features related to relocating overhead SCE. In consideration for the County's cooperation to effectuate this Agreement, IRWD will bear the County's costs associated with studying and reporting the environmental impacts of the relocation, including the preparation of the EIR. All Project activities will be planned, implemented, and maintained in a manner that attempts to avoid habitat impacts where feasible and, when impacts must occur, to seek and utilize techniques and methods that minimize impacts to habitat. Project activities shall utilize County Best Management Practices (BMPs) appropriate for the areas being impacted.

3. DESIGN & CONSTRUCTION COST ALLOCATION

In general, all Project Costs will be borne by IRWD unless the Parties agree otherwise in writing. This Section outlines particular Project costs to be allocated as described below. Costs associated with certain portions of the Project will be allocated among the Parties as follows:

3.1 Construction of SCE Access Road Improvements for SCE Relocation

SCE has requested that gravel be placed on the existing dirt access road that leads to OCWR's monitoring well, Monitoring Well MW-11, which will serve as the access road for SCE's new utility pole that supports overhead utilities that serve OCWR. OCWR shall be responsible for meeting all SCE requirements for the access road, and for maintaining the road after the improvements are completed as further described in Section 5.2.

3.2 SCE Design & Construction Costs

The SCE design, construction, and coordination costs associated with relocating the overhead powerlines that feed OCWR will be initially paid for by IRWD and OCWR will reimburse IRWD. OCWR shall remit

payment to IRWD within 30 days of receipt of a written invoice detailing the relevant SCE design, construction, and coordination costs.

The District will be responsible for coordination costs associated with the SCE design and construction improvements serving the OCWR property and Reservoir Property. The District will lead the design, OCWR will review and approve the design before final approval by IRWD.

If SCE invoices OCWR directly for all the design and construction costs of the overhead powerline relocation that feeds Santiago Landfill, then this section of the agreement will not apply.

4. POST-PROJECT MAINTENANCE

In general, all Project elements constructed by IRWD will be maintained IRWD unless the Parties agree otherwise in writing. This Section outlines particular maintenance obligations as described below.

4.1 County Maintenance of Storm Drain Channel on Reservoir Property

As further described in the Drainage Easement described in Section 2.4(C), the OCWR will be responsible for maintaining the drainage channel from the spillway to the native Santiago Creek. The County shall clean, clear, and repair any damage and vandalism to the channel as necessary to ensure the channel is functioning properly at all times. If the County fails to maintain the drainage channel at a level satisfactory to the District (commensurate with drainage facilities of comparable characteristics) or if lack of maintenance poses a concern for the overall integrity and maintenance of the new spillway and related overall dam facility, IRWD may request that the County take corrective action or may enter upon the County's property and take corrective action at the County's expense.

4.2 OCWR Maintenance of Access Road to SCE's Utility Pole

SCE has requested that gravel be placed on the existing dirt access road that leads to OCWR's monitoring well, Monitoring Well MW-11, which will serve as the access road for SCE's new utility pole that supports overhead utilities that serve OCWR. OCWR shall be responsible for meeting all SCE requirements for the access road, and for maintaining the road after the improvements are completed.

5. COST REIMBURSEMENT PROCEDURES

Within ninety days after execution of this Agreement, IRWD shall remit payment to County for the property rights, as outlined more fully in Table 3. If a Party disputes a charge, the Parties shall meet and confer to resolve the dispute.

6. TERMINATION

Each Party may terminate this Agreement for another Party's default in the performance of responsibilities or material breach of any of the provisions of this Agreement by delivering a notice in writing to the affected Party specifying the reason for the termination. The Party in default or breach will have the right to cure the default or breach within a thirty (30) day period of the non-defaulting party's written notice of the default. If the Party in default or breach cures such default or breach within the thirty (30) day period, each Parties' election to terminate will be deemed revoked and of no further force and effect as to that particular default or breach.

7. MISCELLANEOUS PROVISIONS

7.1 Indemnification; Hold Harmless. Each Party shall indemnify, defend with counsel approved in writing, save and hold harmless the other Parties and each of their elected officials, officers, directors, agents and employees from any and all claims, injuries, liabilities, actions, damages, losses or expenses, of every type and description to which they may be subjected arising out of any act or omission of, the Party's employees, representatives, agents and independent contractors in connection with the rights, responsibilities, duties and obligations found in this Agreement. The Parties' responsibilities, duties and obligations under this Section shall survive termination or expiration of this Agreement.

7.2 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. No assignment of any Party's interest in this Agreement shall be made without the written consent of the other Parties.

7.3 Entirety; Amendments. This Agreement, including any attachments incorporated herein and made applicable by reference and the recitals above, constitutes the complete and exclusive statement of the terms and conditions of this Agreement between the Parties and supersedes all prior representations, understandings, and communications regarding acquisition of easements for the Project. The invalidity in whole or in part of any term or condition of this Agreement shall not affect the validity of other terms or conditions of this Agreement. The above referenced Recitals are true and correct and are incorporated by reference herein. No alteration or amendment to the terms of this Agreement shall be valid unless made in writing and signed by the Parties; and no oral understanding or agreement not incorporated herein shall be binding on either of the Parties.

7.4 Severability. If any part of this Agreement is held, determined, or adjudicated to be illegal, void, or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

7.5 Notices. Any notice, demand or other communication to be given by any Party to the others hereunder must be given by personal service, Federal Express or other reputable overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the Parties at their respective addresses as follows:

If to IRWD
Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

If to County:
OC Parks
13042 Old Myford Road
Irvine, CA 92602
Attention: Director, OC Parks

And

OC Waste & Recycling
601 N. Ross St., 5th Floor
Santa Ana, CA 92701
Attention: Director, OC Waste & Recycling

With a copy to:

CEO Real Estate
400 West Civic Center Dr., 5th Floor
Santa Ana, CA 92701
Attention: Chief Real Estate Officer

Any such notice will be deemed to have been received upon delivery or, if mailed, 48 hours after deposit in the mail as aforesaid. Any Party may change the address where it desires to receive notice upon giving written notice of such request to the other Parties.

7.6 Attorney's Fees. In any action or proceeding to enforce or interpret any provision of this Agreement, or where any provision hereof is validly asserted as a defense, the Parties shall bear their own attorney's fees, costs and expenses.

7.7 Circumstances Which Excuse Performance. If any Party shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure standard materials, failure of power, restrictive governmental

laws, regulations or orders or governmental action or inaction (including failure, refusal or delay in issuing permits, approvals and/or authorizations which is not the result of the action or inaction of the Party claiming such delay), riots, civil unrest or insurrection, war, terrorism, bioterrorism, pandemic or epidemic, fire, earthquake, flood or other natural disaster, unusual and unforeseeable delay which results from an interruption of any public utilities (*e.g.*, electricity, gas, water, telephone) or other unusual and unforeseeable delay not within reasonable control of the Party delayed in performing work or doing acts required under the provisions of this Agreement (collectively, "**Force Majeure**"), then performance of such act shall be excused for the period of the delay; and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

7.8 Breach. The failure of any Party to comply with any of the terms and conditions of this Agreement shall be a material breach of this Agreement.

7.9 Binding Obligation. The Parties to this Agreement represent and warrant that this Agreement has been duly authorized and executed and constitutes a legally binding obligation of their respective organization or entity enforceable in accordance with its terms.

7.10 No Third-Party Beneficiaries. It is not intended by any of the provisions of this Agreement to create any third-party beneficiary hereunder. The rights and obligations set forth herein are intended exclusively for the benefit of the Parties and shall not be construed to convey any rights or remedies to any third party. The duties, obligations and responsibilities of the Parties with respect to such third parties shall remain as imposed by law.

7.11 Governing Law & Venue. This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394.

7.12 Counterparts. This Agreement may be executed and delivered in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. Facsimile signatures will be permitted.

7.13 Execution. Each Party represents and warrants that the execution, delivery and performance of this Agreement have been duly authorized by all necessary action of such Party's governing board, and the person executing this Agreement on behalf of such Party has been duly authorized and empowered to do so on behalf of such Party.

7.14 Exhibits. This Agreement includes the following Exhibits, which are attached hereto and made a part hereof:

Table 1: Summary of Vegetation Impacts on County Lands that Require Mitigation
Table 2: Summary of Jurisdictional Impacts on County Lands that Require Mitigation
Table 3: Summary of Overall Cost Allocation
Exhibit 1: Easement Requirements for Santiago Creek Dam Project (Maps)
Exhibit 2: Form of Easements:

- 2.A Access Easement
- 2.B Vehicular Access Easement Across Landfill
- 2.C Drainage Easement for County
- 2.D Slope and Rock Anchor Wall Easement
- 2.E Irvine Lake Pipeline Easement Amendment
- 2.F Spillway Easement
- 2.G Temporary Construction and Access Easement
- 2.H Vehicular Access Easement to Inlet/Outlet Structure for IRWD
- 2.I Embankment Easement for IRWD
- 2.J Electrical Easement (County to SCE)
- 2.K Electrical Easement (IRWD to SCE)
- 2.L Reciprocal Access Easement Near Boat House
- 2.M Well Project License Agreement

Exhibit 3: Letter Agreement dated June 19, 2026

[Signatures appear on following pages.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first above written.

IRVINE RANCH WATER DISTRICT

By:_____

Paul A. Cook
General Manager

By:_____

Kristine Swan
Secretary

APPROVED AS TO FORM:

By:_____

Claire Hervey Collins
District Counsel

COUNTY OF ORANGE,
a political subdivision of the State of California

_____

Chairman, Board of Supervisors

APPROVED AS TO FORM:

_____

Deputy County Counsel
County of Orange, California

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD OF SUPERVISORS PER GC § 25103, RESO. 79-1535

_____

Robin Stieler
Clerk of the Board of Supervisors

Table 1
Summary of Vegetation Impacts on County Lands that Require Mitigation

Vegetation Types	Gray and Bramlet Vegetation Code	Permanent Impact (acres) County	Temporary Impact (acres) County	Total Permanent/ Temporary (acres) County	Temporary Impact for SCE Realignment[a] (acres) County
Coastal Sage Scrub					
Sagebrush Scrub	2.3.6	0.35	3.06	3.41	0.09
Disturbed Sagebrush Scrub	2.3.6	0.88	0.36	1.24	0.01
Disturbed Floodplain Sage Scrub	2.6	0.08	0.10	0.18	0.00
Subtotal Coastal Sage Scrub		1.31	3.52	4.83	0.10
Riparian *(mitigation is based on Jurisdiction, see Table 2)*					
Mulefat Scrub	7.3	0.50	0.46	0.96	0.00
Subtotal Riparian		0.50	0.46	0.96	0.00

[a] SCE Easement shows the additional area outside the permanent/temporary impact areas.

Table 2
Summary of Jurisdictional Impacts on County Lands that Require Mitigation

Jurisdiction	Permanent (acres) County	Temporary (acres) County	Total Permanent/ Temporary Impact (acres) County	Temporary Impact for SCE Realignment[a] (acres) County
USACE WOTUS	0.47	0.34	0.81	0.01
RWCQB Waters of the State	0.47	0.34	0.81	0.01
CDFW Jurisdictional Resources	0.73	0.64	1.37	0.02

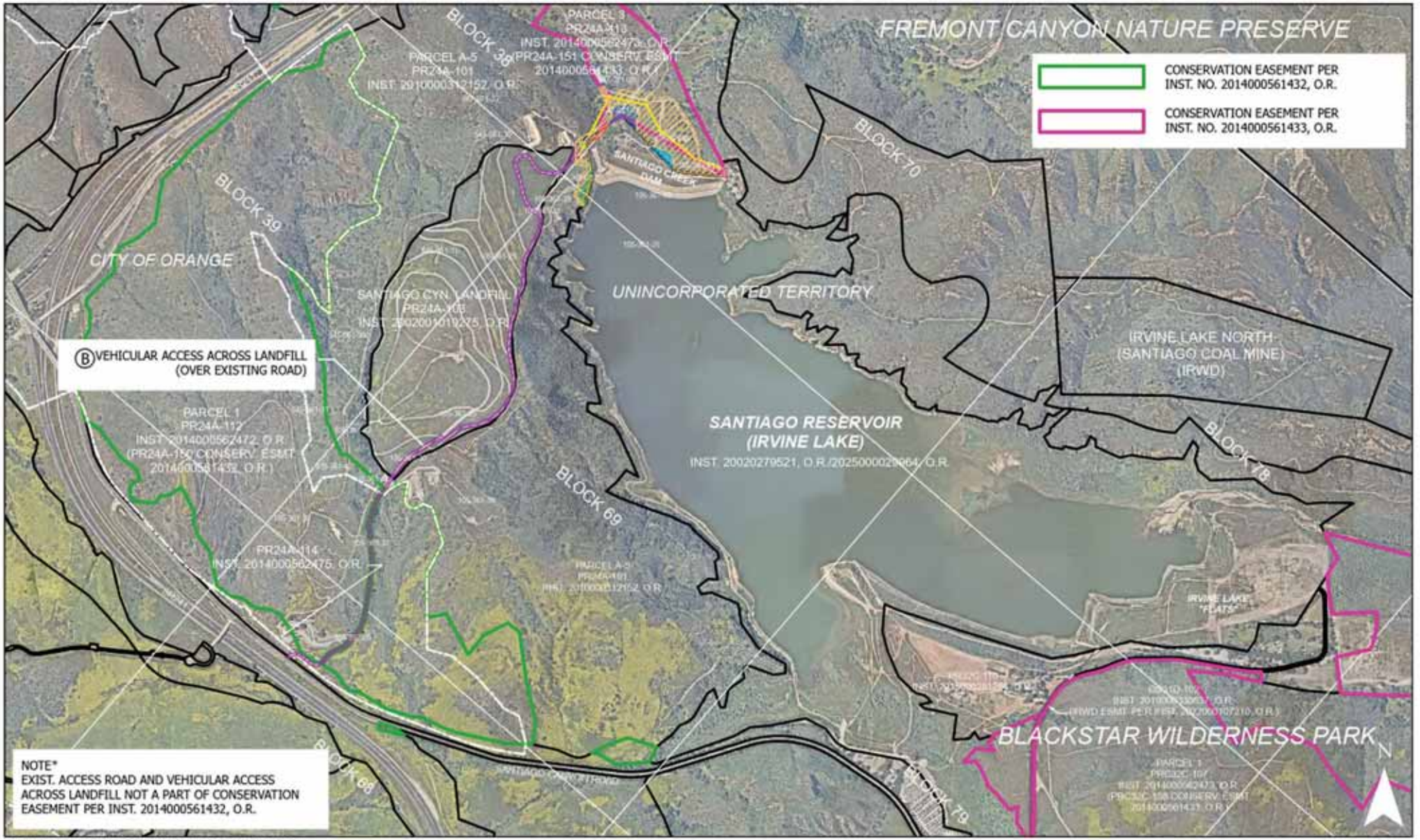
[a] SCE Easement shows the additional area outside the permanent/temporary impact areas.

Table 3: Summary of Overall Cost Allocation						
Agreement Section	**Description**	**APN**	**Grantee / Responsible Party**	**Mechanism for Determining Cost**	**Cost[3]**	**Payment Schedule**
2.4A	Access Easement	105-361-02, 545-061-30, 545-071-18, 545-071-33	IRWD	Appraisal	$518	Upon Executing Agreement
2.4B	Vehicular Access Easement Across Landfill	Multiple (see Easement)	IRWD	n/a	$41,304	n/a
2.4C	Drainage Easement for County	105-361-01, -03	OCWR	Appraisal	$1,046	Upon Executing Agreement
2.4D	Slope and Rock Anchor Wall Easement	105-361-02; 105-361-31; 105-361-39	IRWD	Appraisal	$2,174	Upon Executing Agreement
2.4E	Irvine Lake Pipeline Easement Amendment	545-071-18, 547-071-32, 547-071-33	IRWD	Appraisal	$1,067	Upon Executing Agreement
2.4F	Spillway Easement	105-361-59, 545-071-18, 545-071-33	IRWD	Appraisal	$13,119	Upon Executing Agreement
2.4G	Temporary Construction and Access Easement	Multiple (see TCE)	IRWD	Appraisal	$72,588	Upon Executing Agreement
2.4H	Vehicular Access Easement to Inlet/Outlet Structure	105-361-02 and -39	IRWD	Appraisal	$947	Upon Executing Agreement
2.4I	Embankment Easement	105-361-59	IRWD	Appraisal	$3,241	Upon Executing Agreement
2.4J	Electrical Easements (County to SCE)	547-071-32	OCWR	Appraisal	$2,853	Upon Agreement with SCE
2.4K	Electrical Easements (IRWD to SCE)	105-361-01	IRWD	Appraisal	$86	Upon Agreement with SCE
2.4L	Reciprocal Access Easements Near Boathouse		IRWD/County	Comps to vehicular access	$0	Upon Executing Agreement
2.4M	Well Project License Agreement		IRWD	n/a	$0	n/a
3.2	Environmental Impact costs for SCE relocation to OCWR		OCWR	Consultant Estimate	$0	Upon Executing Agreement
4.1	SCE access road improvements to power pole near OCWR MW-11		OCWR	n/a	TBD	Completed by OCWR
4.2	SCE design and construction costs for service relocation to OCWR		OCWR	SCE Invoice	TBD	Upon receipt of SCE invoice

[3] Appraised values as of April, 2026.

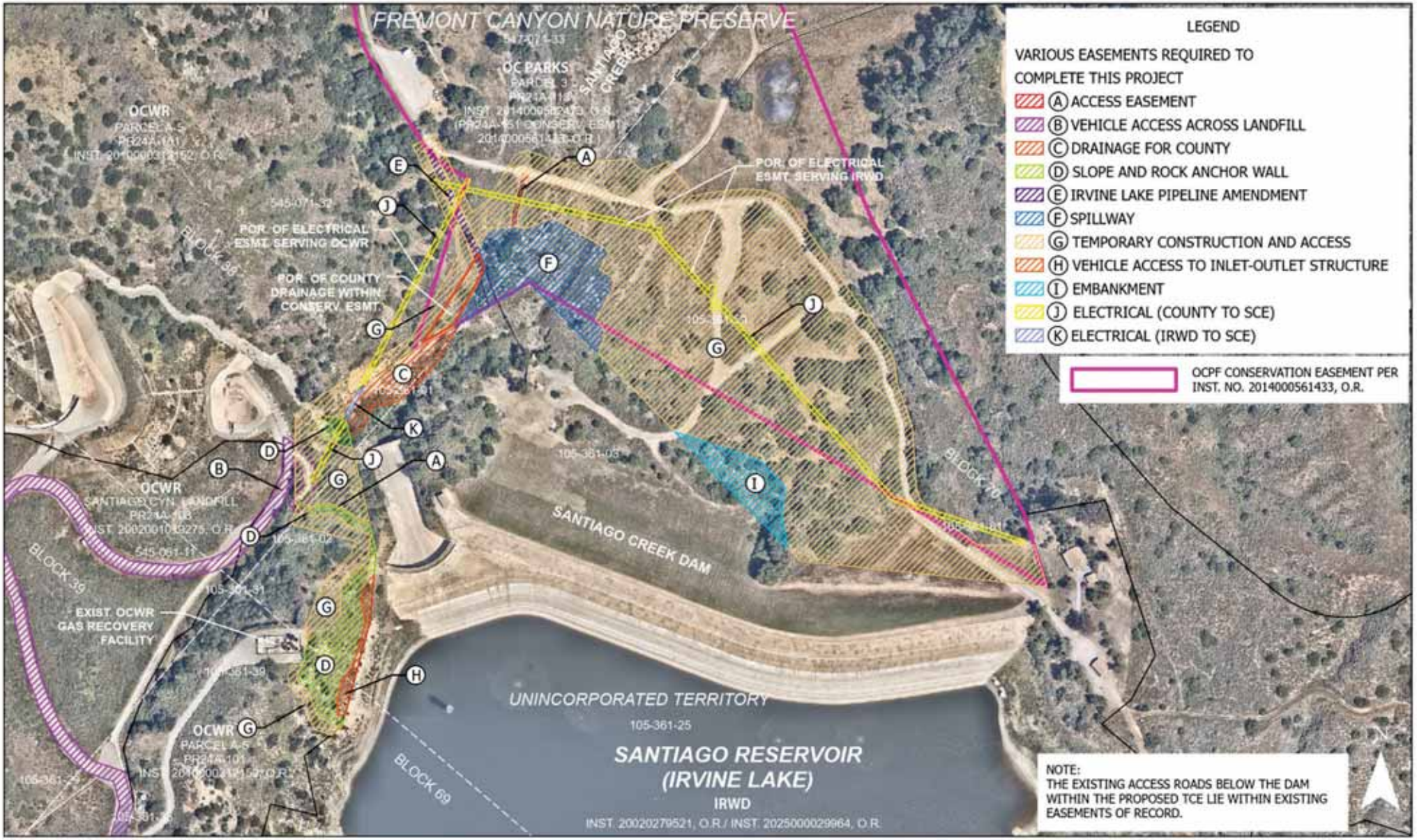
EXHIBIT 1

Easement Requirements for Santiago Creek Dam Project (3 Overview Exhibits)



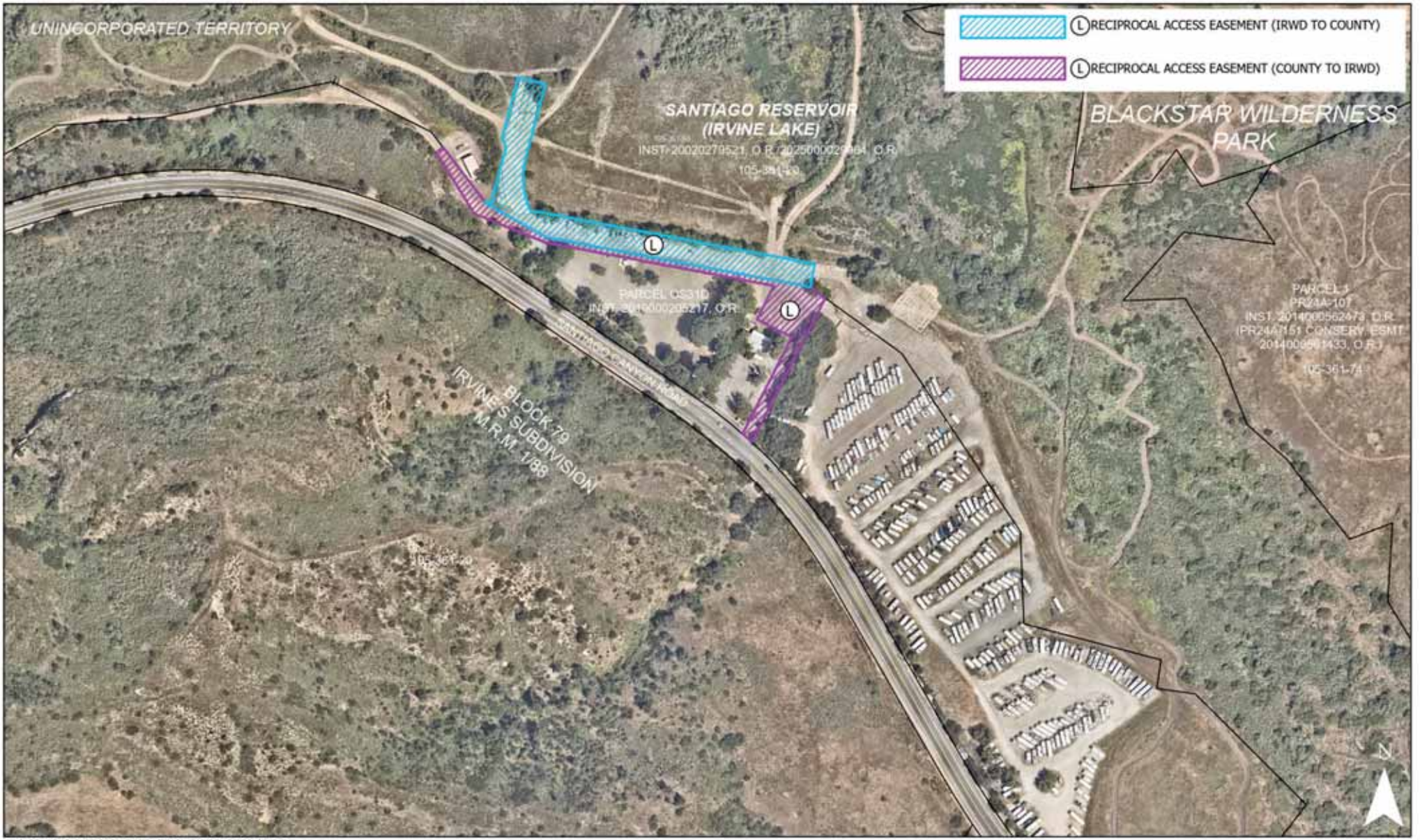
SUMMARY OF EASEMENTS
7-20-26

SHEET 1



SUMMARY OF EASEMENTS
7-20-26

SHEET 2



SUMMARY OF EASEMENTS
7-20-26

SHEET 3

EXHIBIT 2
Form of Real Estate Documents

RECORDED REQUESTED BY AND WHEN RECORDED, RETURN TO:

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618
Attn: General Manager

WITH A CONFORMED COPY TO:

County of Orange
c/o County Executive Office, Real Estate Services
400 W. Civic Center Drive, 5th floor
Santa Ana, CA 92701

Assessor's Parcel No. 105-361-02, 545-061-30, 545-071-18, 545-071-33

(Space above line for Recorder's use only)

Exempt from Filing Fees per Gov. Code §§ 6103 and 27383

Exempt from Documentary Transfer Tax per Revenue and Taxation Code §11922

ACCESS EASEMENT AGREEMENT
(Access to Reservoir Property, Facility PR24A, Parcel No. 158)

This Access Easement Agreement ("**Easement Agreement**") is effective as of the date of its recordation in the Official Records of Orange County, California ("**Effective Date**") and is between the COUNTY OF ORANGE ("**County**"), a political subdivision of the State of California, and IRVINE RANCH WATER DISTRICT ("**District**"), a California Water District organized under and existing pursuant to Section 34000 et seq. of the California Water Code. Together District and the County are the "**Parties**."

A. The District owns fee title to a dam and reservoir facility commonly known as "Irvine Lake" or the "Santiago Reservoir" (the "**Reservoir Property**" or "**Reservoir**"). The County owns and maintains a closed landfill known as Santiago Canyon Landfill (**"Landfill**") on real property adjacent to the Reservoir ("**County's Property**"). The County's Property includes roadways within the Landfill.

B. The District is planning a dam improvement project at the Reservoir that largely consists of replacing the existing spillway structure and outlet tower with a new spillway structure and inclined outlet structure and other related site improvements (the "**Project**"). The Parties intend by this Easement Agreement to provide for the District's pedestrian and vehicular access across portions of the County's Property to the Districts' property for purposes of accessing Reservoir Property and related facilities.

The Parties therefore agree as follows:

1. Grant of Easement. County hereby grants to the District, its invitees, employees, agents, and contractors a non-exclusive pedestrian and vehicular access easement (the

"**Easement**") in, on, over, through, along, and across portions of the County's Property, more particularly described on Exhibit A and depicted on Exhibit B (the "**Easement Area**") for the purposes of access to 'the Reservoir Property for operations and maintenance purposes.

2. Subject to Matters of Record or Apparent. In addition to the terms and conditions set forth in this Easement Agreement, the Easement conveyed to the District hereunder is subject to all easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record or apparent or of which the District has actual notice.

3. Non-Exclusive Rights. District's use of the Easement Area will be non-exclusive, and County retains the rights to use and to grant to others the non-exclusive right to use the property burdened by the Easement for any and all lawful purposes, to the extent such uses, or any of them, do not unreasonably interfere with the exercise by the District of the Easement granted hereunder.

4. Appurtenant to the Reservoir. The Easement is appurtenant to the Reservoir Property, which will be the dominant tenement and the County's Property is the servient tenement.

5. Maintenance of Access Area. District shall be responsible for maintaining the existing access areas in a condition that is the same as or better than its existing condition.

6. Compliance with Law. District will be responsible for complying with all laws, ordinances, and regulations with respect to its use of the Easement.

7. Damage and Repairs.

a. If the District damages any portion of the Easement Area or any other property of County during its activities under this Easement Agreement, the District shall, at its sole cost and expense, promptly repair and restore the same to the condition that existed prior to the damage; provided, however, that prior to any such repair, the District shall, within thirty (45) days of the damage, review its planned repair with County to confirm that such repair will be done to the reasonable specifications of County. The District shall not cause any liens of any kind to be filed against the Easement Area or any other portion of County's Property as a result of such repair activities.

b. If the County damages any portion of the Reservoir Property or any other property of the District during its activities under this Easement Agreement, County shall, at its sole cost and expense, promptly repair and restore the same to the condition that existed prior to the damage; provided, however, that prior to any such repair, County shall, within thirty (45) days of the damage, review its planned repair with the District to confirm that such repair will be done to the reasonable specifications of County. County will not cause any liens of any kind to be filed against the Reservoir Property or any portion of the District's property as a result of such repair activities.

8. Failure to Perform. To the extent that the repair of any District damage is not completed by the District within thirty (45) business days of the District's receipt of County's approval of the District's proposed repair as described in Section 7 above (or if such damage is

not capable of repair within such period, if the District has not commenced such repair within such period and diligently thereafter completed such repairs), then County may perform such repair and the cost thereof shall be paid by the District within sixty (60) days of its receipt of County's invoice and backup documentation substantiating the work performed.

9. Indemnity.

a. The District shall indemnify, defend, and hold the County and any other person or entity controlling, controlled by or under common control with the County, and each of their elected officials, officers, directors, employees, representatives, agents, successors and assigns (collectively, the "**County Indemnitees**") harmless from and against any and all claims, obligations, damages, liabilities, costs, and expenses (including but not limited to attorneys' fees and costs), whether made against or incurred by County or any other Indemnitee (collectively, "**Claims**"), arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the Easement Area by the District, their officers, directors, employees, invitees, contractors, and agents, and the respective employees thereof; and/or (b) breach of any of the terms of this Easement Agreement by the District; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the negligence or intentional misconduct of the County Indemnitees or any of them. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein.

b. County shall defend, indemnify, protect and hold harmless the District and all of its elected and appointed officials, directors, officers, employees, agents, representatives, successors and assigns (collectively, the "**District's Indemnitees**") from all Claims arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the Easement Area by County, its officers, directors, employees, invitees (including the general public), contractors, and agents, and the respective employees thereof; or (b) County's construction or maintenance of improvements within the Easement Area; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the active negligence or intentional misconduct of the District's Indemnitees or any of them. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein.

c. The District's and County Indemnitees' obligations under this Section shall survive until lapse of the applicable statutory period for limitation of actions, irrespective of whether the easement rights set forth herein have expired or been terminated.

10. Controlling Law. This Easement Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

11. Attorneys' Fees. In any proceeding between the parties seeking enforcement of or attempting to construe any of the terms and provisions of this Easement Agreement, including, without limitation, any litigation seeking legal, declaratory or other relief, each Party shall bear its own costs, including but not limited to attorneys' fees and costs.

12. Notices. Any notice, demand or other communication to be given by either party to the other hereunder shall be given by personal service, Federal Express or other reputable overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the parties at their respective addresses as follows:

IF TO DISTRICTS:

Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

OC Waste & Recycling
601 N. Ross St., 5th Floor
Santa Ana, CA 92701
Attention: Director, OC Waste & Recycling

IF TO COUNTY:

With a copy to:

County Executive Office, Real Estate Services
400 West Civic Center Dr., 5th Floor
Santa Ana, CA 92701
Attention: Chief Real Estate Officer

Any such notice shall be deemed to have been given upon delivery or, if mailed, forty-eight (48) hours after deposit in the mail as aforesaid. Either party may change the address where it desires to receive notice upon giving written notice of such request to the other party.

13. Construction. Headings at the beginning of any section of this Easement Agreement are solely for the convenience of the parties and are not a part of this Easement Agreement. This Easement Agreement shall not be construed as if it has been prepared by either party, but rather as if both parties have prepared the same.

14. Waiver; Remedies. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

15. Successors. Any assignment of the rights conferred upon the District may only be assigned with the permission of County, whose permission shall not be unreasonably withheld. Assignment of the District's rights to another public entity shall be deemed acceptable to County. The provisions of this Easement Agreement shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns.

16. No Third Party Beneficiaries. No person or entity other than the parties to this Easement Agreement shall be deemed to be a third party beneficiary hereof, and nothing in this

Easement Agreement, either express or implied, is intended to confer upon any person or entity, other than the parties to this Easement Agreement (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Easement Agreement.

17. Entire Agreement. This Easement Agreement, including the exhibits attached hereto which are incorporated herein by this reference, contains the entire agreement between the parties relating to the rights granted herein and the obligations herein assumed, subject to that certain unrecorded instrument between the Parties known as the *Easement and Reimbursement Agreement (Santiago Creek Dam Improvement Project)* entered into on_____, 2026, and any amendments related thereto. Any oral representations or modifications concerning this document shall be of no force or effect except a subsequent modification in writing, signed by the party to be charged.

[Signatures appear on following page.]

The Parties have executed this Easement Agreement as of the date indicated below.

Date: _____

COUNTY OF ORANGE

APPROVED AS TO FORM:

By:_____
Michael A. Haubert
Deputy County Counsel

By:_____
Thomas A. Miller
Chief Real Estate Officer

IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

By:_____
Claire H. Collins
General Counsel

By:_____
Paul A. Cook
General Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On_____, 20___, before me,_____, a Notary Public, personally appeared_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On_____, 20___, before me,_____, a Notary Public, personally appeared_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

EXHIBIT "A"

LEGAL DESCRIPTION

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 158

That certain parcel of land situated in the unincorporated territory of the County of Orange, State of California being those portions of Blocks 38 and 70 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within Parcel A-5 (PR24A-101) as described in that certain Gift Deed recorded July 1, 2010 as Instrument No. 2010000312152 of Official Records, both in the Office of the County Recorder of said County included within a strip of land of variable width, the centerline of which is described as follows:

COMMENCING at the northerly terminus of that certain course in the general westerly line of Irvine Lake (also known as Santiago Reservoir) described as having a bearing and distance of North 12°54'01" West 357.82 feet in that certain Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records in said Office of the County Recorder; thence along said course South 12°54'01" East 284.32 feet to the **TRUE POINT OF BEGINNING**;

Thence North 77°30'00" West 9.90 feet to the beginning of a tangent curve concave northeasterly and having a radius of 78.00 feet;

Thence westerly along said curve through a central angle of 29°11'44" an arc distance of 39.75 feet to the beginning of a reverse curve concave southerly and having a radius of 83.00 feet, a radial line of said reverse curve to said beginning bears North 41°41'44" East;

Thence westerly along said reverse curve through a central angle of 61°11'44" an arc distance of 88.65 feet;

Thence non-tangent to said curve West 16.50 feet to a point hereinafter referred to as **Point "A"**;

Thence North 59°00'00" West 20.00 feet to the point of terminus.

Said strip shall be 4.00 feet wide from the **TRUE POINT OF BEGINNING** to said Point "A" and 5.00 feet wide from said **Point "A"** to the point of terminus.

The sidelines of said strip shall intersect at all angle points and be lengthened or shortened so as to terminate easterly in said general westerly line of Santiago Reservoir and northerly in a line perpendicular to said point of terminus.

CONTAINING: 0.017 acres, more or less.

SUBJECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

EXHIBIT "B" attached hereto and by this reference made a part hereof.

Prepared by me or under my direction:

Dated: June 4, 2026



Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026

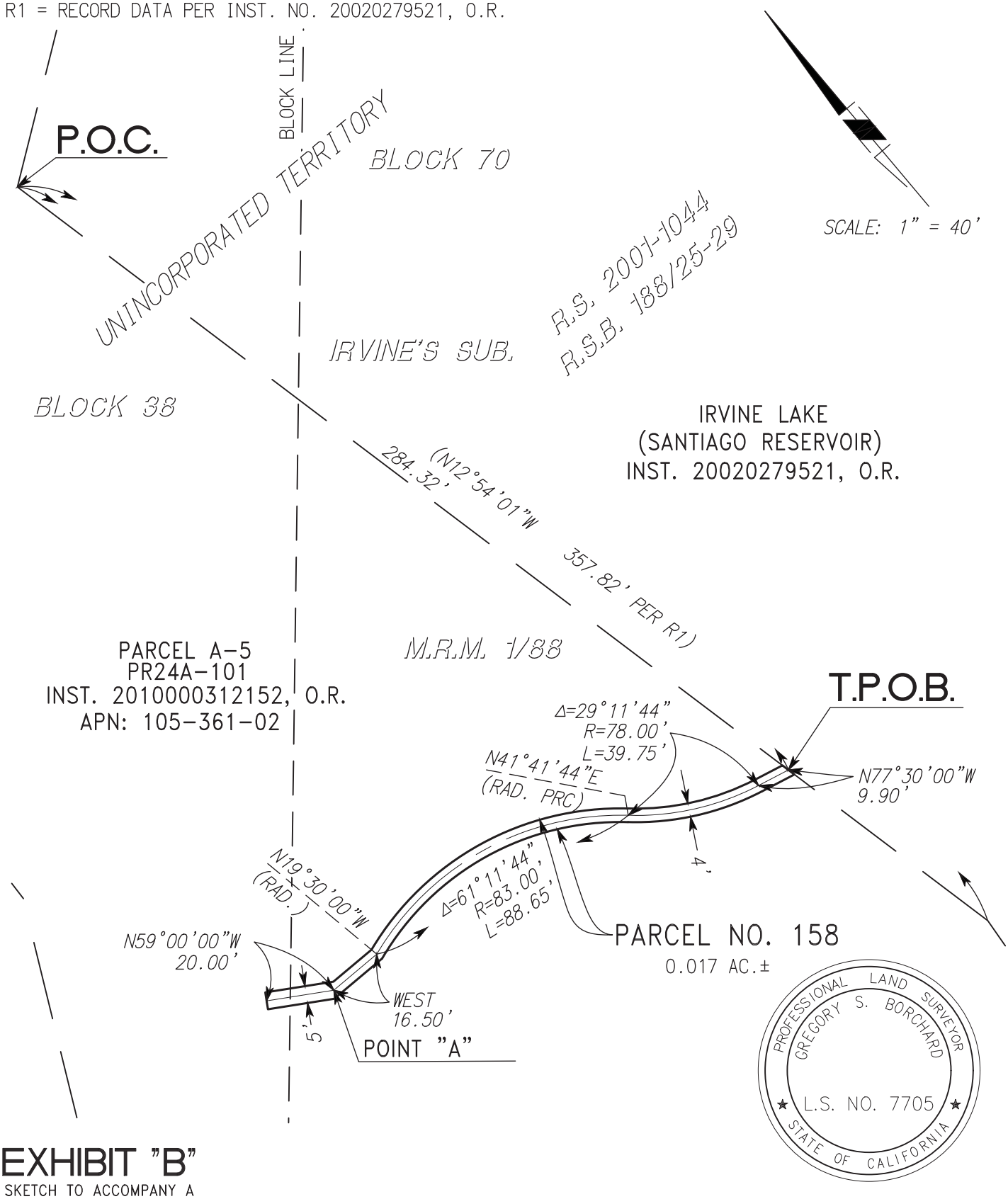


EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 158
PEDESTRIAN ACCESS EASEMENT

SHEET 1 OF 1 SHEET

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026 PROJECT 01813

EXHIBIT "A"

LEGAL DESCRIPTION

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 170

That certain parcel of land situated in the unincorporated territory of the County of Orange, State of California being that portion of Block 38 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within Parcel 3 (PR24A-113) as described in that certain Gift Deed recorded December 29, 2014 as Instrument No. 2014000562473 of Official Records, both in the Office of the County Recorder of said County included within a strip of land 15.00 feet wide, the centerline of which is described as follows:

COMMENCING at the northwesterly terminus of that certain course in the general northeasterly line of Irvine Lake (also known as Santiago Reservoir) described as having a bearing and distance of South 44°07'46" East 892.62 feet in that certain Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records in said Office of the County Recorder; thence along said course South 44°07'46" East 226.75 feet;

Thence leaving said general northeasterly line North 20°00'00" East 34.00 feet to the beginning of a tangent curve concave southwesterly and having a radius of 34.00 feet;

Thence northerly and westerly along said curve through a central angle of 82°00'00" an arc distance of 48.66 feet;

Thence tangent to said curve North 62°00'00" West 3.00 feet;

Thence North 28°00'00" East 83.00 feet to the beginning of a tangent curve concave westerly and having a radius of 25.00 feet;

Thence northerly and westerly along said curve through a central angle of 88°00'00" an arc distance of 38.40 feet;

Thence tangent from said curve North 60°00'00" West 23.50 feet;

Thence North 30°00'00" East 37.00 feet to the beginning of a tangent curve concave westerly and having a radius of 12.50 feet;

Thence northerly and westerly through a central angle of 90°00'00" an arc distance of 19.63 feet;

Thence tangent to said curve North 60°00'00" West 140.44 feet;

Thence South 67°30’00” West 63.43 feet;

Thence North 89°30’00” West 30.00 feet to the **TRUE POINT OF BEGINNING**;

Thence North 00°30’00” East 29.00 feet;

Thence North 15°30’00” East 100.00 feet to the point of terminus.

The sidelines of said strip shall intersect at all angle points and be lengthened or shortened so as to terminate southerly in a line perpendicular to said TRUE POINT OF BEGINNING and northerly in a line perpendicular to said point of terminus.

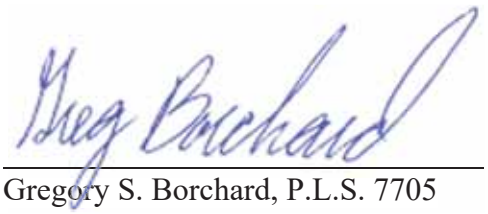
CONTAINING: 0.044 acres, more or less.

SUBJECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

EXHIBIT “B” attached hereto and by this reference made a part hereof.

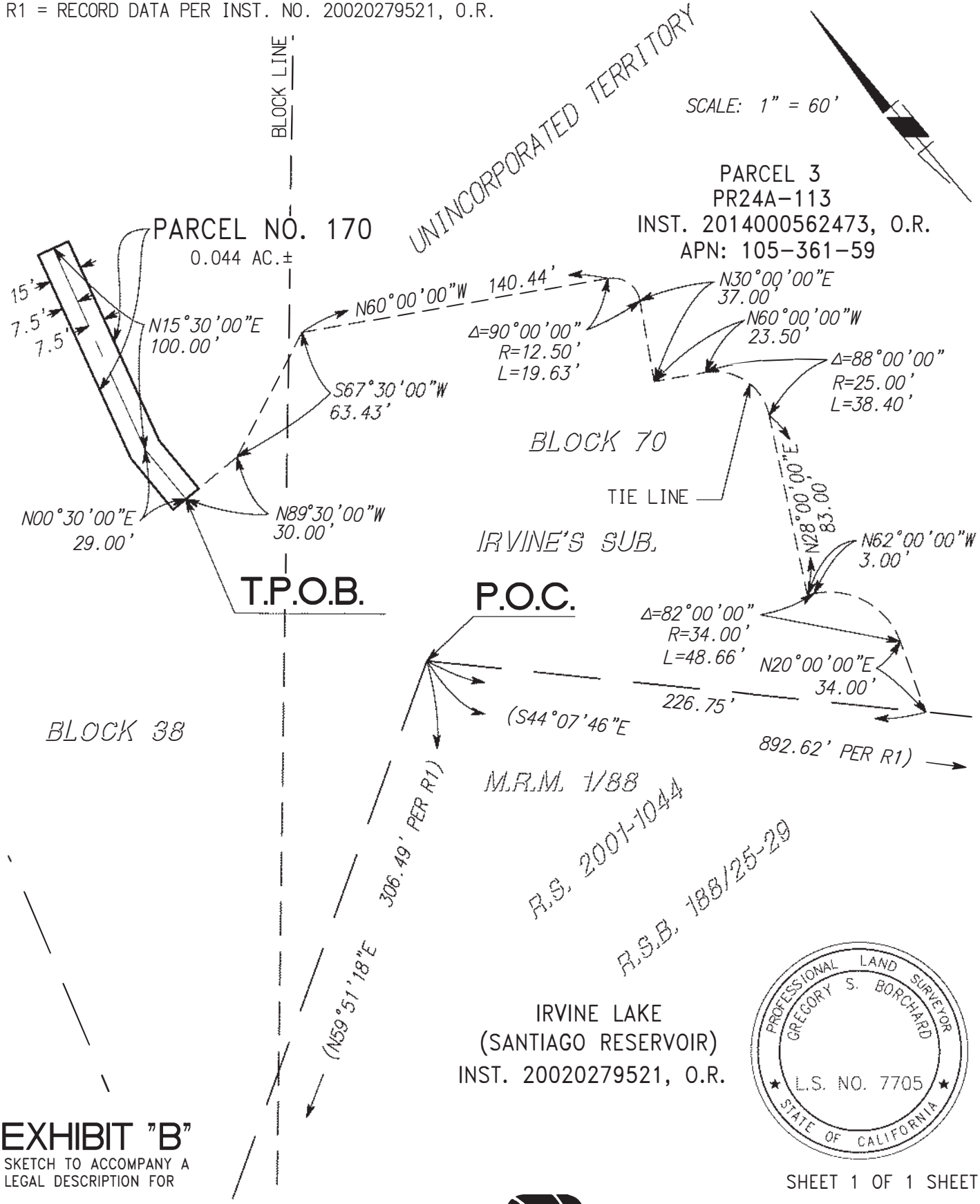
Prepared by me or under my direction:

Dated: June 9, 2026



Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026




R1 = RECORD DATA PER INST. NO. 20020279521, O.R.
BLOCK LINE
UNINCORPORATED TERRITORY
SCALE: 1" = 60'
PARCEL 3
PR24A-113
INST. 2014000562473, O.R.
APN: 105-361-59
PARCEL NO. 170
0.044 AC.±
15'
7.5'
7.5'
N15°30'00"E
100.00'
N60°00'00"W 140.44'
Δ=90°00'00"
R=12.50'
L=19.63'
N30°00'00"E
37.00'
N60°00'00"W
23.50'
Δ=88°00'00"
R=25.00'
L=38.40'
S67°30'00"W
63.43'
BLOCK 70
TIE LINE
N28°00'00"E
83.00'
N62°00'00"W
3.00'
N00°30'00"E
29.00'
N89°30'00"W
30.00'
IRVINE'S SUB.
T.P.O.B.
P.O.C.
Δ=82°00'00"
R=34.00'
L=48.66'
N20°00'00"E
34.00'
226.75'
(S44°07'46"E
892.62' PER R1)
BLOCK 38
M.R.M. 1/88
(N59°51'18"E 306.49' PER R1)
R.S. 2001-1044
R.S.B. 188/25-29
IRVINE LAKE
(SANTIAGO RESERVOIR)
INST. 20020279521, O.R.
PROFESSIONAL LAND SURVEYOR
GREGORY S. BORCHARD
L.S. NO. 7705
STATE OF CALIFORNIA
EXHIBIT "B"
SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR
SHEET 1 OF 1 SHEET
FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 170
PEDESTRIAN ACCESS EASEMENT
Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619
JUNE 4, 2026
PROJECT 01813

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Access Easement Agreement (Access to Reservoir Property) to the IRVINE RANCH WATER DISTRICT, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution No. _____of the Board of Directors, adopted on _____, and the grantee consents to recordation thereof by its duly authorized officer.

IRVINE RANCH WATER DISTRICT

Dated:_____ By: _____



EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 1 OF 1 SHEET

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 158
ACCESS EASEMENT

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

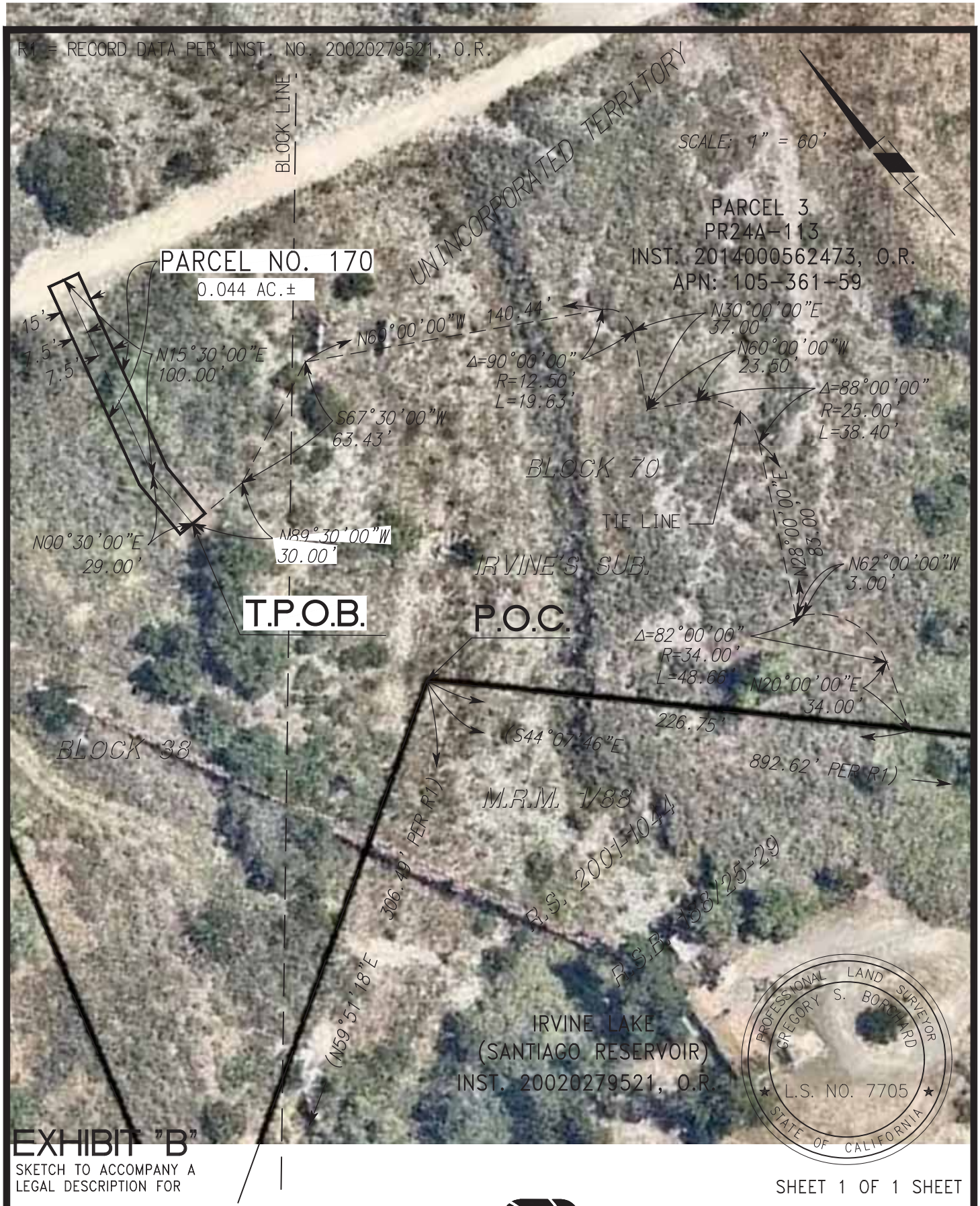


EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 1 OF 1 SHEET

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 170
ACCESS EASEMENT

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026 PROJECT 01813

2.4A ACCESS EASEMENT

RECORDED REQUESTED BY AND WHEN RECORDED, RETURN TO:

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618
Attn: General Manager

WITH A CONFORMED COPY TO:

County of Orange
c/o County Executive Office, Real Estate Services
400 W. Civic Center Drive, 5th floor
Santa Ana, CA 92701

Assessor's Parcel Nos. 105-361-02, 105-361-29, 105-361-30, 105-361-31, 105-361-33, 105-361-37, 105-361-39, 105-392-09, 105-392-11, 545-061-11, 545-061-30

(Space above line for Recorder's use only)

Exempt from Filing Fees per Gov. Code §§ 6103 and 27383

Exempt from Documentary Transfer Tax per Revenue and Taxation Code §11922

EASEMENT AGREEMENT
(Vehicular Access Across Landfill to Irvine Lake Dam, Facility PR24A, Parcel No. 166)

This Easement Agreement ("**Easement Agreement**") is effective as of the date of its recordation in the Official Records of Orange County, California ("**Effective Date**") and is between the COUNTY OF ORANGE ("**County**"), a political subdivision of the State of California, and IRVINE RANCH WATER DISTRICT ("**District**"), a California Water District organized under and existing pursuant to Section 34000 et seq. of the California Water Code. Together IRWD and the County are the "**Parties**."

A. The District owns fee title to a dam and reservoir facility commonly known as "Irvine Lake" or the "Santiago Reservoir" (the "**Reservoir Property**" or "**Reservoir**"). The County owns and maintains a closed landfill known as Santiago Canyon Landfill (**"Landfill**") on real property adjacent to the Reservoir ("**County's Property**"). The County's Property includes roadways within the Landfill.

B. The District is planning a dam improvement project at the Reservoir that largely consists of replacing the existing spillway structure and outlet tower with a new spillway structure and inclined outlet structure and other related site improvements (the "**Project**"). The Parties intend by this Easement Agreement to provide for the District's vehicular access across portions of the County's Property to the Districts' property for purposes of accessing Reservoir Property and related facilities.

The Parties therefore agree as follows:

1. Grant of Easement. County hereby grants to the District, its invitees, employees, agents, and contractors a non-exclusive vehicular access easement (the "**Easement**") in, on, over,

through, along, and across the portion of the County's Property, more particularly described on Exhibit A and depicted on Exhibit B (the "**Easement Area**") for the purposes of accessing the District's Reservoir Property to construct the District's Project and operate, maintain, repair, and replace the dam and spillway and appurtenant facilities. If the roads within the Easement Area become impassable or otherwise unavailable or are relocated by the County due to landfill settlement, the District may use other suitable existing roadways within the Landfill as necessary to effectuate the District's rights under this Agreement.

2. Subject to Matters of Record or Apparent. In addition to the terms and conditions set forth in this Easement Agreement, the Easement conveyed to the District hereunder is subject to all easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record or apparent or of which the District has actual notice.

3. Non-Exclusive Rights. The District's use of the Easement Area will be non-exclusive, and County retains the rights to use and to grant to others the non-exclusive right to use the property burdened by the Easement for any and all lawful purposes, to the extent such uses, or any of them, do not unreasonably interfere with the exercise by the District of the Easement granted hereunder.

4. Appurtenant to the Reservoir. The Easement is appurtenant to the Reservoir Property, which will be the dominant tenement and the County's Property is the servient tenement.

5. Access. District shall have access to any locked gates or fences and may install its own access through locked gates via the use of a "daisy chain" or other shared entry system. IRWD will maintain its locks on the landfill gates.

6. Maintenance of Roadway. After completion of the Project, the District will restore the landfill road to at least pre-Project status to the satisfaction of the County. Subsequent to this task, the County will continue to maintain the access road, however, if damage to the access road is caused by District following completion of the Project, District shall be responsible for repair costs to the access road.

7. Compliance with Law. The District will be responsible for complying with all laws, ordinances, and regulations with respect to its use of the Easement.

8. Damage and Repairs.

a. If the District damages any portion of the Easement Area or any other property of County during its activities under this Easement Agreement, the District shall, at its sole cost and expense, promptly repair and restore the same to the condition that existed prior to the damage; provided, however, that prior to any such repair, the District shall, within thirty (45) days of the damage, review its planned repair with County to confirm that such repair will be done to the reasonable specifications of County. The District shall not cause any liens of any kind to be filed against the Easement Area or any other portion of County's Property as a result of such repair activities.

b. If the County damages any portion of the Reservoir Property or any other property of the District during its activities under this Easement Agreement, County shall, at its sole cost and expense, promptly repair and restore the same to the condition that existed prior to the damage; provided, however, that prior to any such repair, County shall, within thirty (45) days of the damage, review its planned repair with the Districts to confirm that such repair will be done to the reasonable specifications of County. County will not cause any liens of any kind to be filed against the Reservoir Property or any portion of the District's property as a result of such repair activities.

9. Failure to Perform. To the extent that the repair of any District damage is not completed by the District within thirty (45) business days of the District's receipt of County's approval of the District's proposed repair as described in Section 7 above (or if such damage is not capable of repair within such period, if the District has not commenced such repair within such period and diligently thereafter completed such repairs), then County may perform such repair and the cost thereof shall be paid by the District within sixty (60) days of its receipt of County's invoice and backup documentation substantiating the work performed.

10. Indemnity.

a. The District shall indemnify, defend, and hold the County and any other person or entity controlling, controlled by or under common control with the County, and each of their elected officials, officers, directors, employees, representatives, agents, successors and assigns (collectively, the "**County Indemnitees**") harmless from and against any and all claims, obligations, damages, liabilities, costs, and expenses (including but not limited to attorneys' fees and costs), whether made against or incurred by County or any other Indemnitee (collectively, "**Claims**"), arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the Easement Area by the District, their officers, directors, employees, invitees, contractors, and agents, and the respective employees thereof; and/or (b) breach of any of the terms of this Easement Agreement by the District; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the negligence or intentional misconduct of the County Indemnitees or any of them. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein. The District's and County Indemnitees' obligations under this Section shall survive until lapse of the applicable statutory period for limitation of actions, irrespective of whether the easement rights set forth herein have expired or been terminated.

b. County shall defend, indemnify, protect and hold harmless the District and all of its elected and appointed officials, directors, officers, employees, agents, representatives, successors and assigns (collectively, the "**District's Indemnitees**") from all Claims arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the Easement Area by County, its officers, directors, employees, invitees (including the general public), contractors, and agents, and the respective employees thereof; or (b) County's construction or maintenance of improvements within the Easement Area; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the active negligence or intentional misconduct of the District's Indemnitees or any of them.

Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein.

11. Controlling Law. This Easement Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

12. Attorneys' Fees. In any proceeding between the parties seeking enforcement of or attempting to construe any of the terms and provisions of this Easement Agreement, including, without limitation, any litigation seeking legal, declaratory or other relief, each Party shall bear its own costs, including but not limited to attorneys' fees and costs.

13. Notices. Any notice, demand or other communication to be given by either party to the other hereunder shall be given by personal service, Federal Express or other reputable overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the parties at their respective addresses as follows:

IF TO DISTRICTS:
Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

IF TO COUNTY:
OC Waste & Recycling
601 N. Ross St., 5th Floor
Santa Ana, CA 92701
Attention: Director, OC Waste & Recycling

With a copy to:

County Executive Office, Real Estate Services
400 West Civic Center Dr., 5th Floor
Santa Ana, CA 92701
Attention: Chief Real Estate Officer

Any such notice shall be deemed to have been given upon delivery or, if mailed, forty-eight (48) hours after deposit in the mail as aforesaid. Either party may change the address where it desires to receive notice upon giving written notice of such request to the other party.

14. Construction. Headings at the beginning of any section of this Easement Agreement are solely for the convenience of the parties and are not a part of this Easement Agreement. This Easement Agreement shall not be construed as if it has been prepared by either party, but rather as if both Parties have prepared the same.

15. Waiver; Remedies. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the

part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

16. Successors. Any assignment of the rights conferred upon the District may only be assigned with the permission of County, whose permission shall not be unreasonably withheld. Assignment of the District's rights to another public entity shall be deemed acceptable to County. The provisions of this Easement Agreement shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns.

17. No Third Party Beneficiaries. No person or entity other than the parties to this Easement Agreement shall be deemed to be a third party beneficiary hereof, and nothing in this Easement Agreement, either express or implied, is intended to confer upon any person or entity, other than the parties to this Easement Agreement (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Easement Agreement.

18. Entire Agreement. This Easement Agreement, including the exhibits attached hereto which are incorporated herein by this reference, contains the entire agreement between the parties relating to the rights granted herein and the obligations herein assumed, subject to that certain unrecorded instrument between the Parties known as the *Easement and Reimbursement Agreement (Santiago Creek Dam Improvement Project)* entered into on _____, 2026, and any amendments related thereto. Any oral representations or modifications concerning this document shall be of no force or effect except a subsequent modification in writing, signed by the party to be charged.

[Signatures appear on following page.]

The Parties have executed this Easement Agreement as of the date indicated below.

Date: _____

COUNTY OF ORANGE

APPROVED AS TO FORM:

By: _____
Michael A. Haubert
Deputy County Counsel

By: _____
Thomas A. Miller
Chief Real Estate Officer

IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

By: _____
Claire H. Collins
General Counsel

By: _____
Paul A. Cook
General Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

EXHIBIT "A"

LEGAL DESCRIPTION

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 166

That certain parcel of land situated partially in the City of Orange and partially in the unincorporated territory of the County of Orange, State of California being those portions of Blocks 38, 39, 68, 69 and 70 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within Santiago Canyon Landfill (GA-125) as described in that certain Gift Deed and Grant of Easements recorded November 13, 2002 as Instrument No. 2002001019275 of Official Records, Parcel A-5 (PR24A-101) as described in that certain Gift Deed recorded July 1, 2010 as Instrument No. 2010000312152 of Official Records, Parcel 1 (PR24A-112) as described in that certain Gift Deed recorded December 29, 2014 as Instrument No. 2014000562470 of Official Records, and Parcel PR24A-114 as described in the Gift Deed recorded December 29, 2014 as Instrument No. 2014000562472 of Official Records, being the existing paved access road across the above described parcels generally beginning at the southwesterly line of said Parcel PR24A-114, being also the northeasterly line of Santiago Canyon Road (Z21-535) as described in that certain Gift Deed recorded December 29, 2014 as Instrument No. 2014000562471 of Official Records, all in the Office of the County Recorder of said County and extending generally northeasterly across the above described parcels to an existing monitoring well no. MW-10.

The alignment of said access road is generally depicted on **EXHIBIT "B"** attached hereto and by this reference made a part hereof.

SUBJECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

Prepared by me or under my direction:

Dated: June 4, 2026



Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026

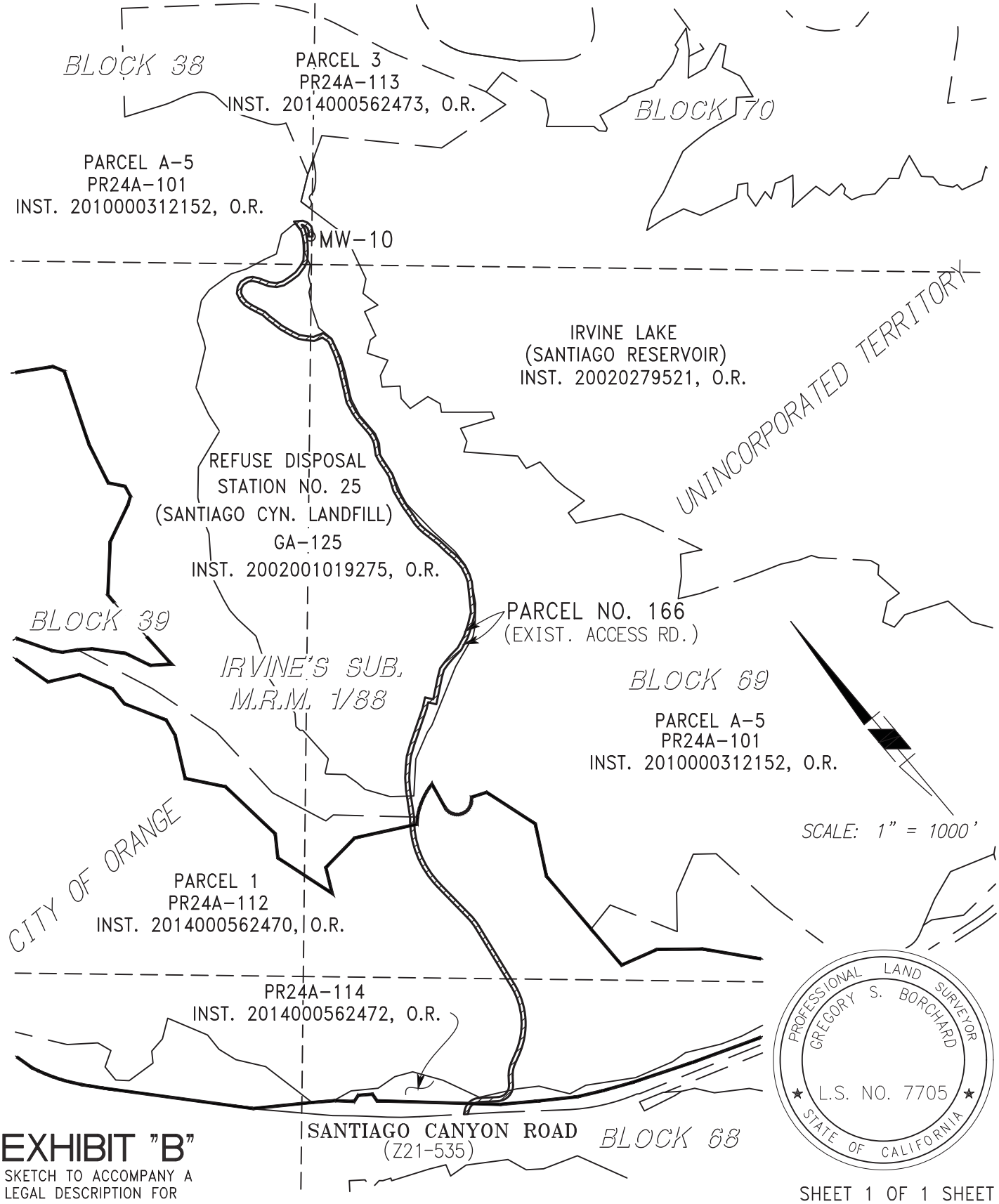


EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

REFUSE DISPOSAL STATION NO. 25
FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 166
CONSTRUCTION/PERMANENT ACCESS ESMT.

SHEET 1 OF 1 SHEET

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Easement Agreement (Vehicular Access Across Landfill to Irvine Lake Dam) to the IRVINE RANCH WATER DISTRICT, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution No. _____ of the Board of Directors, adopted on _____, and the grantee consents to recordation thereof by its duly authorized officer.

IRVINE RANCH WATER DISTRICT

Dated: _____ By: _____

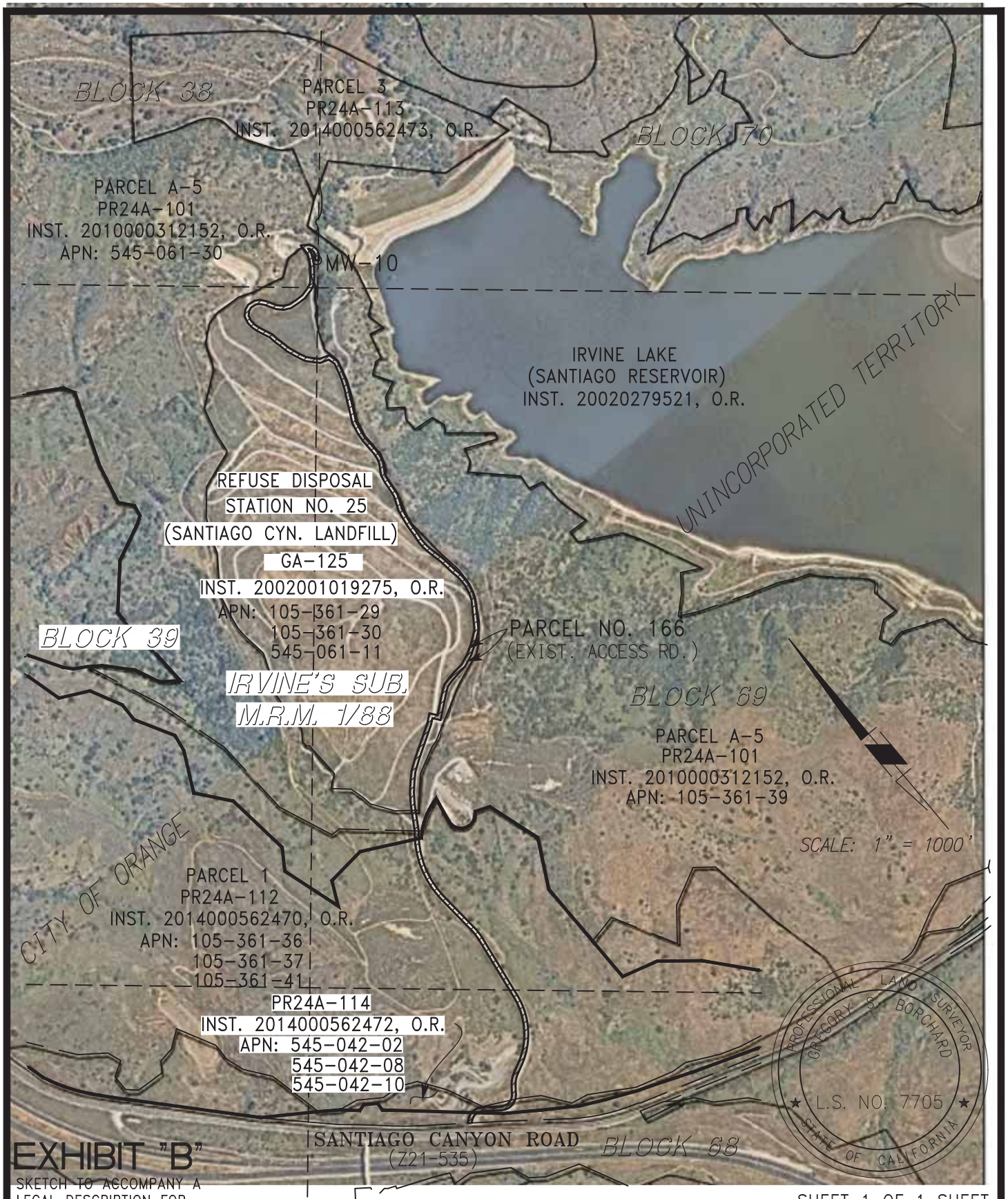


EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 1 OF 1 SHEET

REFUSE DISPOSAL STATION NO. 25
FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 166
CONSTRUCTION/PERMANENT ACCESS ESMT.

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

2.4B VEHICULAR ACCESS EASEMENT ACROSS LANDFILL

RECORDED REQUESTED BY AND WHEN RECORDED, RETURN TO:

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618
Attn: General Manager

WITH A CONFORMED COPY TO:

County of Orange
c/o County Executive Office, Real Estate Services
400 W. Civic Center Drive, 5th floor
Santa Ana, CA 92701

Assessor's Parcel No. 105-361-01, 105-361-03	(Space above line for Recorder's use only)
Exempt from Filing Fees per Gov. Code §§ 6103 and 27383	Exempt from Documentary Transfer Tax per Revenue and Taxation Code §11922

EASEMENT AGREEMENT
(Drainage Easement for County, Facility PR24A, Parcel No. 115)

This Easement Agreement ("**Easement Agreement**") is effective as of the date of its recordation in the Official Records of Orange County, California ("**Effective Date**") and is between the COUNTY OF ORANGE ("**County**"), a political subdivision of the State of California, and IRVINE RANCH WATER DISTRICT ("**District**"), a California Water District organized under and existing pursuant to Section 34000 et seq. of the California Water Code. Together IRWD and the County are the "**Parties**."

A. The District owns fee title to a dam and reservoir facility commonly known as "Irvine Lake" or the "Santiago Reservoir" (the "**Reservoir Property**" or "**Reservoir**"). The County owns and maintains a closed landfill known as Santiago Canyon Landfill ("**Landfill**") on real property adjacent to the Reservoir ("**County's Property**").

B. The District is planning a dam improvement project at the Reservoir that largely consists of replacing the existing spillway structure and outlet tower with a new spillway structure and inclined outlet structure and other related site improvements (the "**Project**").

C. Drainage from the Landfill currently crosses the Reservoir Property into Santiago Creek. Title records do not show an existing drainage easement in favor of County across the Reservoir Property. The Parties intend by this Easement Agreement to establish a drainage easement along the new spillway structure for purposes of continuing to convey storm drain flows from the existing storm drain channel from Santiago Landfill and extending from the northern edge of the Santiago Landfill to Santiago Creek downstream of the new spillway structure.

1. Grant of Easement. District hereby grants to County, their invitees, employees, agents, and contractors a non-exclusive temporary and permanent drainage easement (the "**Easement**") in, on, over, under, through, along, and across the portion of the Reservoir Property, more particularly described on Exhibit A and depicted on Exhibit B (the "**Easement Area**") for the purposes of continuing to convey storm drain flows from the existing storm drain channel from the Landfill into Santiago Creek.

2. Subject to Matters of Record or Apparent. In addition to the terms and conditions set forth in this Easement Agreement, the Easement conveyed to the County hereunder is subject to all easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record or apparent or of which the County has actual notice.

3. Non-Exclusive Rights. The County's use of the Easement Area will be non-exclusive, and District retains the rights to use and to grant to others the non-exclusive right to use the property burdened by the Easement for any and all lawful purposes, to the extent such uses, or any of them, do not unreasonably interfere with the exercise by the County of the Easement granted hereunder.

4. Maintenance of Drainage Easement. The County will be responsible for maintaining the drainage channel from the spillway to the native Santiago Creek. The County shall clean, clear, and repair any damage and vandalism to the channel as necessary to ensure the channel is functioning properly at all times. If the County fails to maintain the drainage channel at a level satisfactory to the District (commensurate with drainage facilities of comparable characteristics) or if lack of maintenance poses a concern for the overall integrity and maintenance of the new spillway and related overall dam facility, District may request that the County take corrective action or may enter upon the County's property and take corrective action at the County's expense.

5. Appurtenant to the Reservoir. The Easement is appurtenant to the County's Property, which will be the dominant tenement and the Reservoir Property is the servient tenement.

6. Compliance with Law. The County will be responsible for complying with all laws, ordinances, and regulations with respect to its use of the Easement.

7. Damage and Repairs. If the County damages any portion of the Reservoir Property or any other property of the District during its activities under this Easement Agreement, County shall, at its sole cost and expense, promptly repair and restore the same to the condition that existed prior to the damage; provided, however, that prior to any such repair, County shall, within thirty (45) days of the damage, review its planned repair with the District to confirm that such repair will be done to the reasonable specifications of County. County will not cause any liens of any kind to be filed against the Reservoir Property or any portion of the District's property as a result of such repair activities.

8. Failure to Perform. To the extent that the repair of any damage is not completed by the County within thirty (45) business days of the County's receipt of District's approval of the County's proposed repair as described in Section 7 above (or if such damage is not capable of

repair within such period, if the County has not commenced such repair within such period and diligently thereafter completed such repairs), then the District may perform such repair and the cost thereof shall be paid by the County within sixty (60) days of its receipt of District's invoice and backup documentation substantiating the work performed.

9. Indemnity.

a. County shall defend, indemnify, protect and hold harmless the District and all of its elected and appointed officials, directors, officers, employees, agents, representatives, successors and assigns (collectively, the "**District's Indemnitees**") from all Claims arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the Easement Area by County, its officers, directors, employees, invitees (including the general public), contractors, and agents, and the respective employees thereof; or (b) County's construction or maintenance of improvements within the Easement Area; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the active negligence or intentional misconduct of the District's Indemnitees or any of them. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein.

b. The District shall indemnify, defend, and hold the County and any other person or entity controlling, controlled by or under common control with the County, and each of their elected officials, officers, directors, employees, representatives, agents, successors and assigns (collectively, the "**County Indemnitees**") harmless from and against any and all claims, obligations, damages, liabilities, costs, and expenses (including but not limited to attorneys' fees and costs), whether made against or incurred by County or any other Indemnitee (collectively, "**Claims**"), arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the Easement Area by the District, their officers, directors, employees, invitees, contractors, and agents, and the respective employees thereof; and/or (b) breach of any of the terms of this Easement Agreement by the District; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the negligence or intentional misconduct of the County Indemnitees or any of them. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein.

c. The District's and County Indemnitees' obligations under this Section shall survive until lapse of the applicable statutory period for limitation of actions, irrespective of whether the easement rights set forth herein have expired or been terminated.

10. Controlling Law. This Easement Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

11. Attorneys' Fees. In any proceeding between the parties seeking enforcement of or attempting to construe any of the terms and provisions of this Easement Agreement, including, without limitation, any litigation seeking legal, declaratory or other relief, each Party shall bear its own costs, including but not limited to attorneys' fees and costs.

12. Notices. Any notice, demand or other communication to be given by either party to the other hereunder shall be given by personal service, Federal Express or other reputable overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the parties at their respective addresses as follows:

IF TO DISTRICTS:
Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

IF TO COUNTY:
OC Waste & Recycling
601 N. Ross St., 5th Floor
Santa Ana, CA 92701
Attention: Director, OC Waste & Recycling

With a copy to:

County Executive Office, Real Estate Services
400 West Civic Center Dr., 5th Floor
Santa Ana, CA 92701
Attention: Chief Real Estate Officer

Any such notice shall be deemed to have been given upon delivery or, if mailed, forty-eight (48) hours after deposit in the mail as aforesaid. Either party may change the address where it desires to receive notice upon giving written notice of such request to the other party.

13. Construction. Headings at the beginning of any section of this Easement Agreement are solely for the convenience of the parties and are not a part of this Easement Agreement. This Easement Agreement shall not be construed as if it has been prepared by either party, but rather as if both parties have prepared the same.

14. Waiver; Remedies. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

15. Successors. Any assignment of the rights conferred upon the District may only be assigned with the permission of County, whose permission shall not be unreasonably withheld. Assignment of the District's rights to another public entity shall be deemed acceptable to County. The provisions of this Easement Agreement shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns.

16. No Third Party Beneficiaries. No person or entity other than the parties to this Easement Agreement shall be deemed to be a third party beneficiary hereof, and nothing in this

Easement Agreement, either express or implied, is intended to confer upon any person or entity, other than the parties to this Easement Agreement (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Easement Agreement.

17. Entire Agreement. This Easement Agreement, including the exhibits attached hereto which are incorporated herein by this reference, contains the entire agreement between the parties relating to the rights granted herein and the obligations herein assumed, subject to that certain unrecorded instrument between the Parties known as the *Easement and Reimbursement Agreement (Santiago Creek Dam Improvement Project)* entered into on _____, 2026, and any amendments related thereto. Any oral representations or modifications concerning this document shall be of no force or effect except a subsequent modification in writing, signed by the party to be charged.

[Signatures appear on following page.]

The Parties have executed this Easement Agreement as of the date indicated below.

Date: _____

COUNTY OF ORANGE

APPROVED AS TO FORM:

By: _____
Michael A. Haubert
Deputy County Counsel

By: _____
Thomas A. Miller
Chief Real Estate Officer

IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

By: _____
Claire H. Collins
General Counsel

By: _____
Paul A. Cook
General Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

EXHIBIT "A"

LEGAL DESCRIPTION

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 115

That certain parcel of land situated in the unincorporated territory of the County of Orange, State of California being those portions of Blocks 38 and 70 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within that certain parcel of land described in the Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records, both in the Office of the County Recorder of said County being further described as follows:

COMMENCING at the northeasterly terminus of that certain course in the general northwesterly line of Irvine Lake (also known as Santiago Reservoir) described in said Grant Deed as having a bearing and distance of North 59°51'18" East 306.49 feet; thence along said course South 59°51'18" West 186.50 feet to the **TRUE POINT OF BEGINNING**;;

Thence continuing along said course South 59°51'18" West 119.99 feet;

Thence continuing along said general northwesterly line South 54°02'59" West 208.11 feet;

Thence continuing along said general northwesterly line South 12°54'01" East 77.92 feet;

Thence leaving said general northwesterly line North 77°05'59" East 11.95 feet to the beginning of a tangent curve concave northwesterly and having a radius of 40.00 feet;

Thence northeasterly along said curve through a central angle of 77°05'59" an arc distance of 53.83 feet to the beginning of a reverse curve concave southeasterly and having a radius of 27.00 feet, a radial line of said reverse curve from said beginning bears East;

Thence northerly and easterly along said curve through a central angle of 93°00'00" an arc distance of 43.83 feet to the beginning of a reverse curve concave northerly and having a radius of 72.00 feet, a radial line of said curve to said beginning bears North 03°00'00" East;

Thence easterly along said curve through a central angle of 43°30'00" an arc distance of 54.66 feet;

Thence tangent to said curve North 49°30'00" East 49.00 feet;

Thence North 40°00’00” East 73.00 feet;

Thence North 30°00’00” East 98.00 feet to the **TRUE POINT OF BEGINNING**.

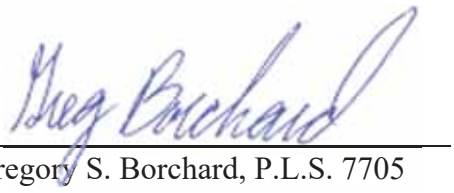
CONTAINING: 0.436 acres, more or less.

SUBJECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

EXHIBIT “B” attached hereto and by this reference made a part hereof.

Prepared by me or under my direction:

Dated: June 4, 2026





Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026

R1 = RECORD DATA PER INST. NO. 20020279521, O.R.

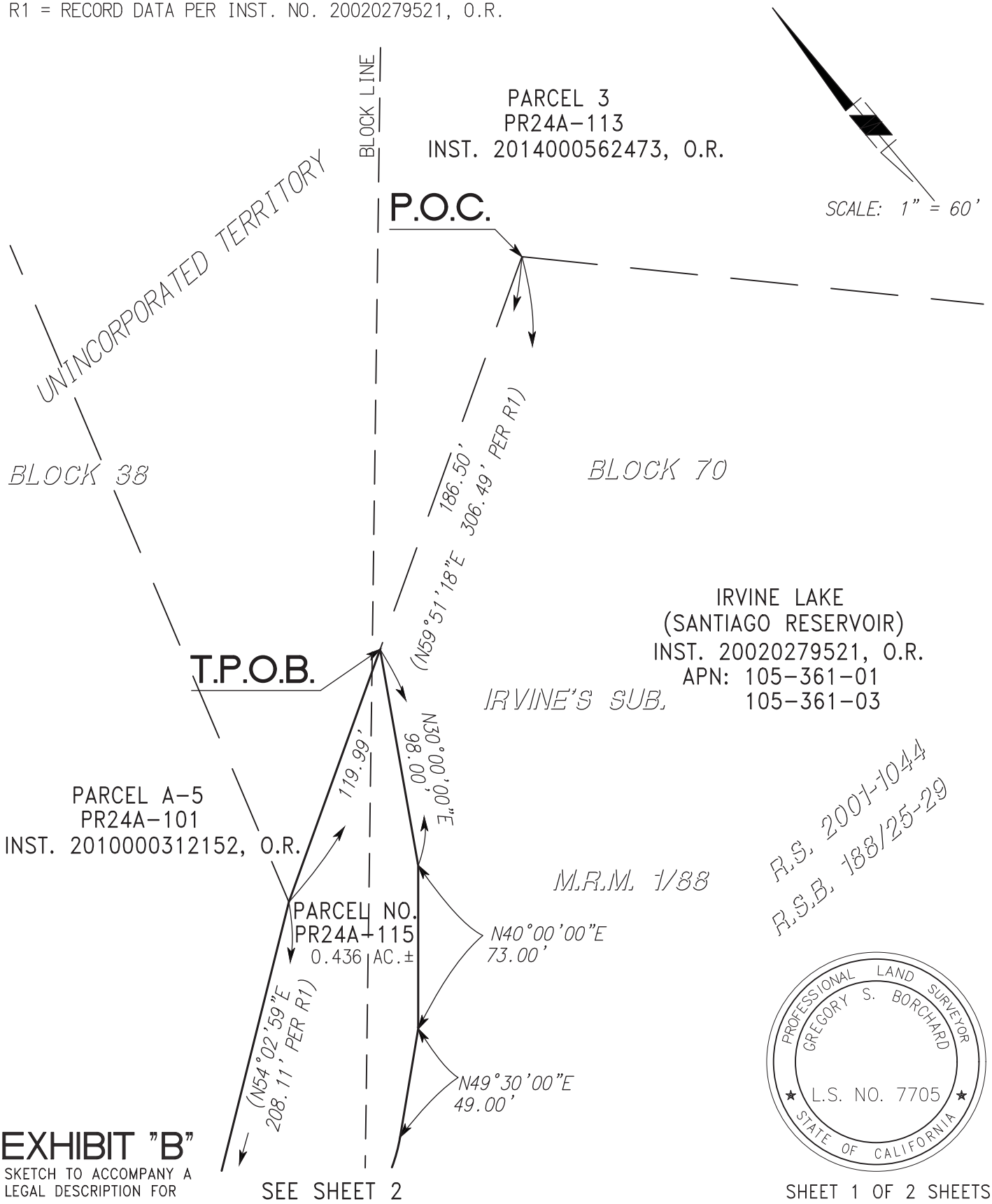


EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 115
DRAINAGE EASEMENT

SEE SHEET 2

SHEET 1 OF 2 SHEETS

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

R1 = RECORD DATA PER INST. NO. 20020279521, O.R.

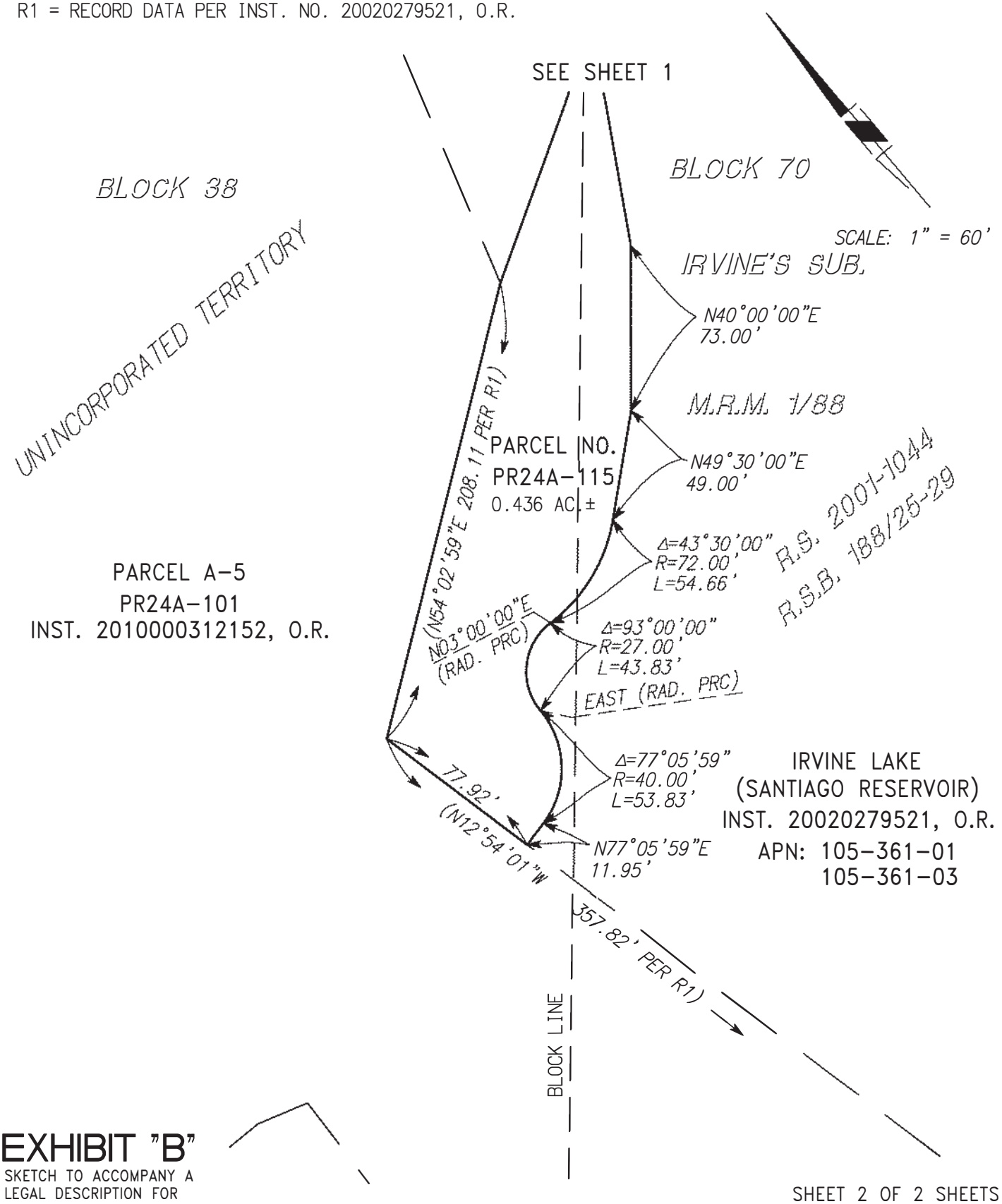


EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 115
DRAINAGE EASEMENT

SHEET 2 OF 2 SHEETS

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Access Easement Agreement (Drainage Easement for County) to the IRVINE RANCH WATER DISTRICT, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution No. _____ of the Board of Directors, adopted on _____, and the grantee consents to recordation thereof by its duly authorized officer.

IRVINE RANCH WATER DISTRICT

Dated: _____ By: _____



EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SEE SHEET 2

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 115
DRAINAGE EASEMENT

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813



EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 2 OF 2 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 115
DRAINAGE EASEMENT

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

2.4C DRAINAGE EASEMENT FOR COUNTY

RECORDED REQUESTED BY AND WHEN RECORDED, RETURN TO:

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618
Attn: General Manager

WITH A CONFORMED COPY TO:

County of Orange
c/o County Executive Office, Real Estate Services
400 W. Civic Center Drive, 5th floor
Santa Ana, CA 92701

Assessor's Parcel No. 105-361-02; 105-361-31; 105-361-39 (Space above line for Recorder's use only)
Exempt from Filing Fees per Gov. Code §§ 6103 and 27383 Exempt from Documentary Transfer Tax per Revenue and Taxation Code §11922

EASEMENT AGREEMENT
(Slope and Rock Anchor Wall Easement Along Santiago Landfill)

This Easement Agreement ("**Easement Agreement**") is effective as of the date of its recordation in the Official Records of Orange County, California ("**Effective Date**") and is between the COUNTY OF ORANGE ("**County**"), a political subdivision of the State of California, and IRVINE RANCH WATER DISTRICT ("**District**"), a California Water District organized under and existing pursuant to Section 34000 et seq. of the California Water Code. Together District and the County are the "**Parties**."

A. The District owns fee title to a dam and reservoir facility commonly known as "Irvine Lake" or the "Santiago Reservoir" (the "**Reservoir Property**" or "**Reservoir**"). The County owns and maintains a closed landfill known as Santiago Canyon Landfill ("**Landfill**") on real property adjacent to the Reservoir ("**County's Property**").

B. The District is planning a dam improvement project at the Reservoir that largely consists of replacing the existing spillway structure and outlet tower with a new spillway structure and inclined outlet structure and other related site improvements (the "**Project**"). The Parties intend by this Easement Agreement to provide for the District's permanent slope easement on property adjacent to the Landfill to enhance hillside stability and protect the County's Property and the Reservoir Property.

The Parties therefore agree as follows:

1. Grant of Easement. County hereby grants to the District, its invitees, employees, agents, and contractors, a permanent slope easement (the "**Easement**") in, on, over, through, along, and across the portion of the County's Property, more particularly described on Exhibit A and depicted on Exhibit B (the "**Easement Area**") for the purpose of constructing and maintaining material slope improvements such as, but not limited to, concrete slopes, tie backs,

soil nails, retaining walls, and the like (the "**Improvements**") to ensure a stable surface and protect the County's Property and the Reservoir Property.

2. Subject to Matters of Record or Apparent. In addition to the terms and conditions set forth in this Easement Agreement, the Easement conveyed to the District hereunder is subject to all easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record or apparent or of which the District has actual notice.

3. Non-Exclusive Rights. The District's use of the Easement Area will be non-exclusive, and County retains the rights to use and to grant to others the non-exclusive right to use the property burdened by the Easement for any and all lawful purposes, to the extent such uses, or any of them, do not unreasonably interfere with the exercise by the District of the Easement granted hereunder.

4. Appurtenant to the Reservoir. The Easement is appurtenant to the Reservoir Property, which will be the dominant tenement and the County's Property is the servient tenement.

5. Construction Requirements. The District may use the Easement Area to construct the Improvements, subject to compliance with the following requirements:

a. All construction must be in accordance with all applicable requirements of any governmental authorities having jurisdiction (the "**Governing Agencies**").

b. All construction must: (i) comply with the plans for same approved by the Governing Agencies; and (ii) be performed in a manner so that sediment erosion and other pollutant drainage into the Reservoir does not exceed amounts permissible under: (a) law, (b) agreements between the parties to this Agreement, and (c) permits issued by Governing Agencies in connection with construction of the Project.

c. The County will not have any responsibility or obligation whatsoever for construction of the Project, and all responsibility for the funding and the performance of such work will rest solely with the District.

d. The District shall obtain, at their own expense, all necessary permits and authorizations from the Governing Agencies related to construction of the Improvements.

e. The District shall promptly record a notice of completion with the County Recorder of Orange County and shall pay all claims for labor and material incurred with respect to the work activities of the District hereunder that could become a lien upon the Easement Area.

f. The District shall not cause any liens of any kind to be filed against the Easement Area as a result of the District's construction of the Project. If any such lien is filed, the District shall, at its sole cost and expense, take such actions as are necessary to cause the lien to be satisfied and discharged or to cause such lien to be removed of record.

g. Prior to construction within the easement area, IRWD shall provide plans for County review and comment, which shall be limited to consistency with County operational

needs and environmental resource protection requirements. The County shall not unreasonably withhold, condition, or delay its concurrence for such purposes.

6. Maintenance of Slope. The District shall be responsible for maintaining the slope improvements.

7. Compliance with Law. The Districts will be responsible for complying with all laws, ordinances, and regulations with respect to its use of the Easement.

8. Damage and Repairs.

a. If the District damages any portion of the Easement Area or any other property of County during its activities under this Easement Agreement, the District shall, at its sole cost and expense, promptly repair and restore the same to the condition that existed prior to the damage; provided, however, that prior to any such repair, the District shall, within thirty (45) days of the damage, review their planned repair with County to confirm that such repair will be done to the reasonable specifications of County. The District shall not cause any liens of any kind to be filed against the Easement Area or any other portion of County's Property as a result of such repair activities.

9. Failure to Perform. To the extent that the repair of any District damage is not completed by the District within thirty (45) business days of the District's receipt of County's approval of the District's proposed repair as described in Section 8 above (or if such damage is not capable of repair within such period, if the District has not commenced such repair within such period and diligently thereafter completed such repairs), then County may perform such repair and the cost thereof shall be paid by the District within sixty (60) days of its receipt of County's invoice and backup documentation substantiating the work performed.

10. Indemnity.

a. The District shall indemnify, defend, and hold the County and any other person or entity controlling, controlled by or under common control with the County, and each of their elected officials, officers, directors, employees, representatives, agents, successors and assigns (collectively, the "**County Indemnitees**") harmless from and against any and all claims, obligations, damages, liabilities, costs, and expenses (including but not limited to attorneys' fees and costs), whether made against or incurred by County or any other Indemnitee (collectively, "**Claims**"), arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the Easement Area by the District, its officers, directors, employees, invitees, contractors, and agents, and the respective employees thereof; and/or (b) breach of any of the terms of this Easement Agreement by the District; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the negligence or intentional misconduct of the County Indemnitees or any of them. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein.

b. The District's obligations under this Section shall survive until lapse of the applicable statutory period for limitation of actions, irrespective of whether the easement rights set forth herein have expired or been terminated.

11. Controlling Law. This Easement Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

12. Attorneys' Fees. In any proceeding between the parties seeking enforcement of or attempting to construe any of the terms and provisions of this Easement Agreement, including, without limitation, any litigation seeking legal, declaratory or other relief, each Party shall bear its own costs, including but not limited to attorneys' fees and costs.

13. Notices. Any notice, demand or other communication to be given by either party to the other hereunder shall be given by personal service, Federal Express or other reputable overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the parties at their respective addresses as follows:

IF TO DISTRICTS:

Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

OC Waste & Recycling
601 N. Ross St., 5th Floor
Santa Ana, CA 92701
Attention: Director, OC Waste & Recycling

IF TO COUNTY:

With a copy to:

CEO Real Estate
400 West Civic Center Dr., 5th Floor
Santa Ana, CA 92701
Attention: Chief Real Estate Officer

Any such notice shall be deemed to have been given upon delivery or, if mailed, forty-eight (48) hours after deposit in the mail as aforesaid. Either party may change the address where it desires to receive notice upon giving written notice of such request to the other party.

14. Construction. Headings at the beginning of any section of this Easement Agreement are solely for the convenience of the parties and are not a part of this Easement Agreement. This Easement Agreement shall not be construed as if it has been prepared by either party, but rather as if both parties have prepared the same.

15. Waiver; Remedies. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

16. Successors. Any assignment of the rights conferred upon the Districts may only be assigned with the permission of County, whose permission shall not be unreasonably withheld. Assignment of the District's rights to another public entity shall be deemed acceptable to County. The provisions of this Easement Agreement shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns.

17. No Third Party Beneficiaries. No person or entity other than the parties to this Easement Agreement shall be deemed to be a third party beneficiary hereof, and nothing in this Easement Agreement, either express or implied, is intended to confer upon any person or entity, other than the parties to this Easement Agreement (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Easement Agreement.

18. Entire Agreement. This Easement Agreement, including the exhibits attached hereto which are incorporated herein by this reference, contains the entire agreement between the parties relating to the rights granted herein and the obligations herein assumed, subject to that certain unrecorded instrument between the Parties known as the *Easement and Reimbursement Agreement (Santiago Creek Dam Improvement Project)* entered into on _____, 2026, and any amendments related thereto. Any oral representations or modifications concerning this document shall be of no force or effect except a subsequent modification in writing, signed by the party to be charged.

[Signatures appear on following page.]

The Parties have executed this Easement Agreement as of the date indicated below.

COUNTY OF ORANGE

APPROVED AS TO FORM:

By: _____
Michael A. Haubert
Deputy County Counsel

By: _____
Thomas A. Miller
Chief Real Estate Officer

IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

By: _____
Claire H. Collins
General Counsel

By: _____
Paul A. Cook
General Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

EXHIBIT "A"

LEGAL DESCRIPTION

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 163

Those certain parcels of land situated in the unincorporated territory of the County of Orange, State of California being those portions of Blocks 38, 69 and 70 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within Parcel A-5 (PR24A-101) as described in that certain Gift Deed recorded July 1, 2010 as Instrument No. 2010000312152 of Official Records, both in the Office of the County Recorder of said County being further described as follows:

Parcel 1:

COMMENCING at the northerly terminus of that certain course in the general westerly line of Irvine Lake (also known as Santiago Reservoir) described as having a bearing and distance of North 14°53'39" East 251.22 feet in that certain Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records in said Office of the County Recorder; thence southerly along said general westerly line of Irvine Lake South 14°53'39" West 224.05 feet to the **TRUE POINT OF BEGINNING**;

Thence leaving said line South 87°15'00" West 18.26 feet;

Thence North 02°45'00" West 25.35 feet to the beginning of a tangent curve concave easterly and having a radius of 50.00 feet;

Thence northerly along said curve through a central angle of 16°15'00" an arc distance of 14.18 feet;

Thence tangent to said curve North 13°30'00" East 36.50 feet to the beginning of a tangent curve concave southeasterly and having a radius of 30.00 feet;

Thence northerly along said curve through a central angle on 35°17'38" an arc distance of 18.48 feet to the beginning of a reverse curve concave northwesterly and having a radius of 60.00 feet, a radial line of said curve to said point bears South 41°12'22" East;

Thence northerly along said curve through a central angle of 32°17'38" an arc distance of 33.82 feet;

Thence tangent from said curve North 16°30'00" East 83.52 feet to the beginning of a tangent curve concave westerly and having a radius of 68.00 feet;

Thence northerly along said curve through a central angle of 32°30'00" an arc distance of 38.57 feet;

Thence tangent from said curve North 16°00’00” West 7.34 feet to the beginning of a tangent curve concave easterly and having a radius of 73.50 feet;

Thence northerly and northeasterly along said curve through a central angle of 61°00’00” an arc distance of 78.25 feet;

Thence tangent to said curve North 45°00’00” East 12.50 feet to to that certain course in said general westerly line of Irvine Lake described in said Grant Deed as having a bearing and distance of North 05°06’16” East 156.35 feet;

Thence along said line North 05°06’16” East 48.50 feet;

Thence continuing along said general westerly line North 12°54’01” West 71.29 feet;

Thence leaving said general westerly line North 77°30’00” West 10.85 feet to the beginning of a tangent curve concave northeasterly and having a radius of 80.00 feet;

Thence northwesterly along said curve through a central angle of 29°11’44” an arc distance of 40.76 feet to the beginning of a reverse curve concave southerly and having a radius of 81.00 feet, a radial line of said curve to said point bears North 41°41’44” East;

Thence westerly along said curve through a central angle of 61°26’14” an arc distance of 86.85 feet;

Thence non-tangent from said curve West 18.37 feet;

Thence North 59°00’00 West 19.72 feet;

Thence South 31°00’00” West 6.26 feet;

Thence South 35°00’00” East 18.64 feet;

Thence South 61°00’00” East 7.50 feet;

Thence South 79°00’00” East 24.00 feet;

Thence North 71°30’00” East 20.00 feet;

Thence North 88°00’00” East 18.00 feet;

Thence South 59°00’00” East 26.00 feet;

Thence South 48°00’00” East 18.00 feet;

Thence South 57°30’00” East 13.50 feet;

Thence South 67°30’00” East 49.00 feet;

Thence South 12°00’00” West 31.00 feet;

Thence South 01°00’00” East 27.00 feet;

Thence South 50°30’00” West 20.00 feet;

Thence South 58°00’00” West 20.00 feet;

Thence South 43°00’00” West 21.00 feet;

Thence South 34°30’00” West 18.00 feet;

Thence South 45°00’00” West 7.00 feet;

Thence South 13°00’00” West 15.00 feet;

Thence South 53.00 feet;

Thence South 42°00’00” West 47.00 feet;

Thence South 86°00’00” West 35.00 feet;

Thence South 25°00’00” West 24.00 feet;

Thence South 16°00’00” West 24.00 feet;

Thence South 22.00 feet;

Thence South 24°00’00” West 43.00 feet;

Thence South 12°00’00” East 10.00 feet;

Thence South 43°00’00” East 42.00 feet;

Thence South 14°30’00” East 25.00 feet;

Thence South 25°00’00” East 37.50 feet;

Thence South 87°00’00” East 6.00 feet;

Thence North 65°00’00” East 6.00 feet;

Thence South 43°00’00” East 23.00 feet;

Thence South 71°00’00” East 11.00 feet;

Thence North 87°00’00” East 12.89 feet to a point in that certain course in said general westerly line of Irvine Lake (also known as Santiago Reservoir) described as having a bearing and distance of North 51°17’34” East 111.10 feet in said Grant Deed, said point being distant thereon 2.80 feet from the northeasterly terminus of said course;

Thence along said course North 51°17’34” East 2.80 feet;

Thence continuing along said general westerly line North 14°53’39” East 27.17 feet to the **TRUE POINT OF BEGINNING**.

CONTAINING: 0.756 acres, more or less.

Parcel 2:

COMMENCING at the northerly terminus of that certain course in said general westerly line of Irvine Lake, also known as Santiago Reservoir, described in said Grant Deed as having a bearing and distance of North 12°54’01” West 357.82 feet; thence along said course South 12°54’01” East 27.95 feet to the **TRUE POINT OF BEGINNING**;

Thence continuing along said course South 12°54’01” East 80.88 feet;

Thence leaving said general westerly line North 79°00’00” West 30.00 feet;

Thence North 54°00’00” West 14.00 feet;

Thence North 70°00’00” West 23.00 feet;

Thence North 37°30’00” West 27.00 feet;

Thence North 10°00’00” West 27.00 feet;

Thence North 38°30’00” East 11.00 feet;

Thence South 74°00’00” East 27.00 feet;

Thence North 76°30’00” East 33.58 feet to the **TRUE POINT OF BEGINNING**.

CONTAINING: 0.097 acres, more or less.

SUBJECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

EXHIBIT "B" attached hereto and by this reference made a part hereof.

Prepared by me or under my direction:

Dated: June 4, 2026



Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026

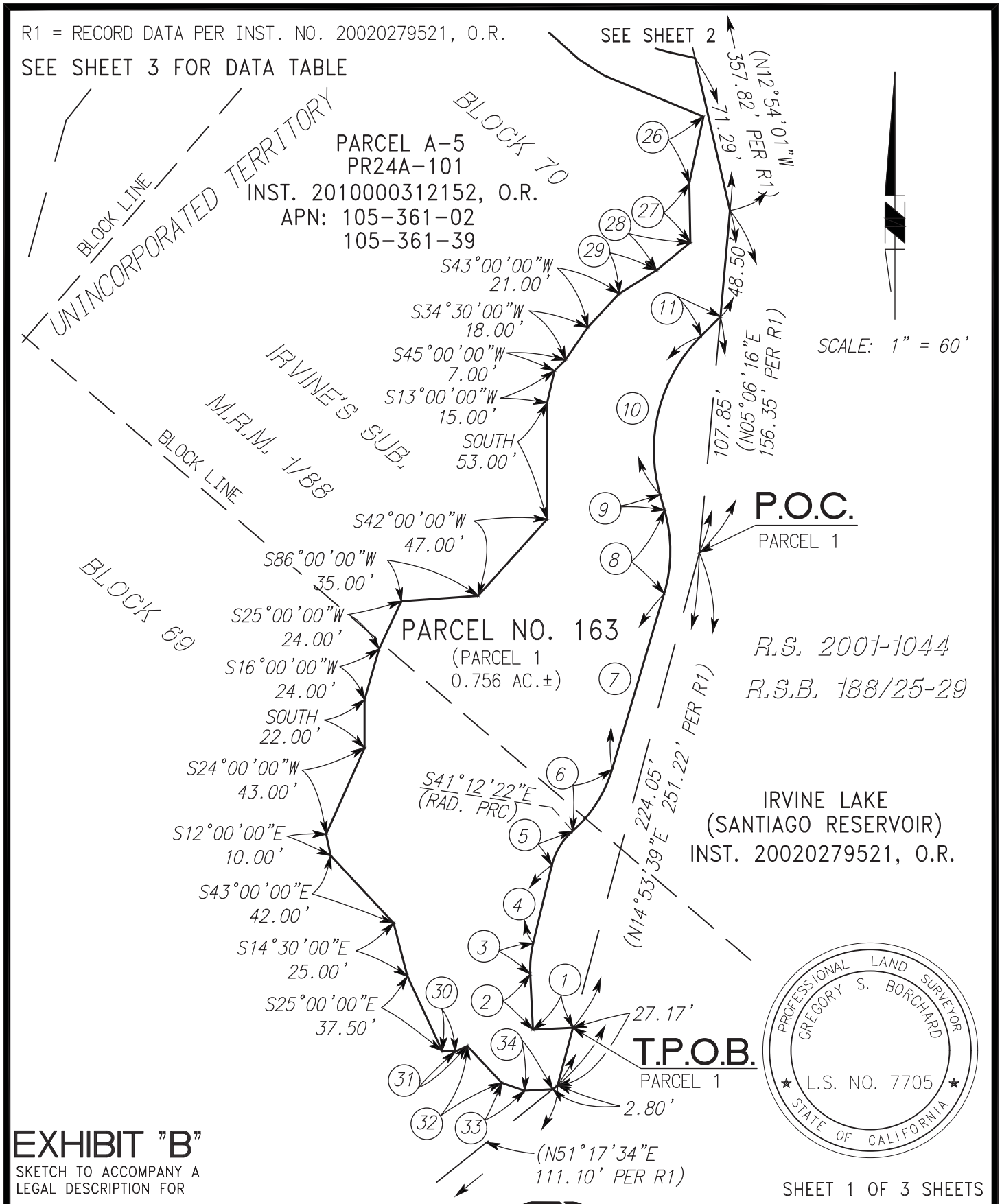


EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 163
SLOPE EASEMENT

SHEET 1 OF 3 SHEETS

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026 PROJECT 01813

R1 = RECORD DATA PER INST. NO. 20020279521, O.R.

SEE SHEET 3 FOR DATA TABLE

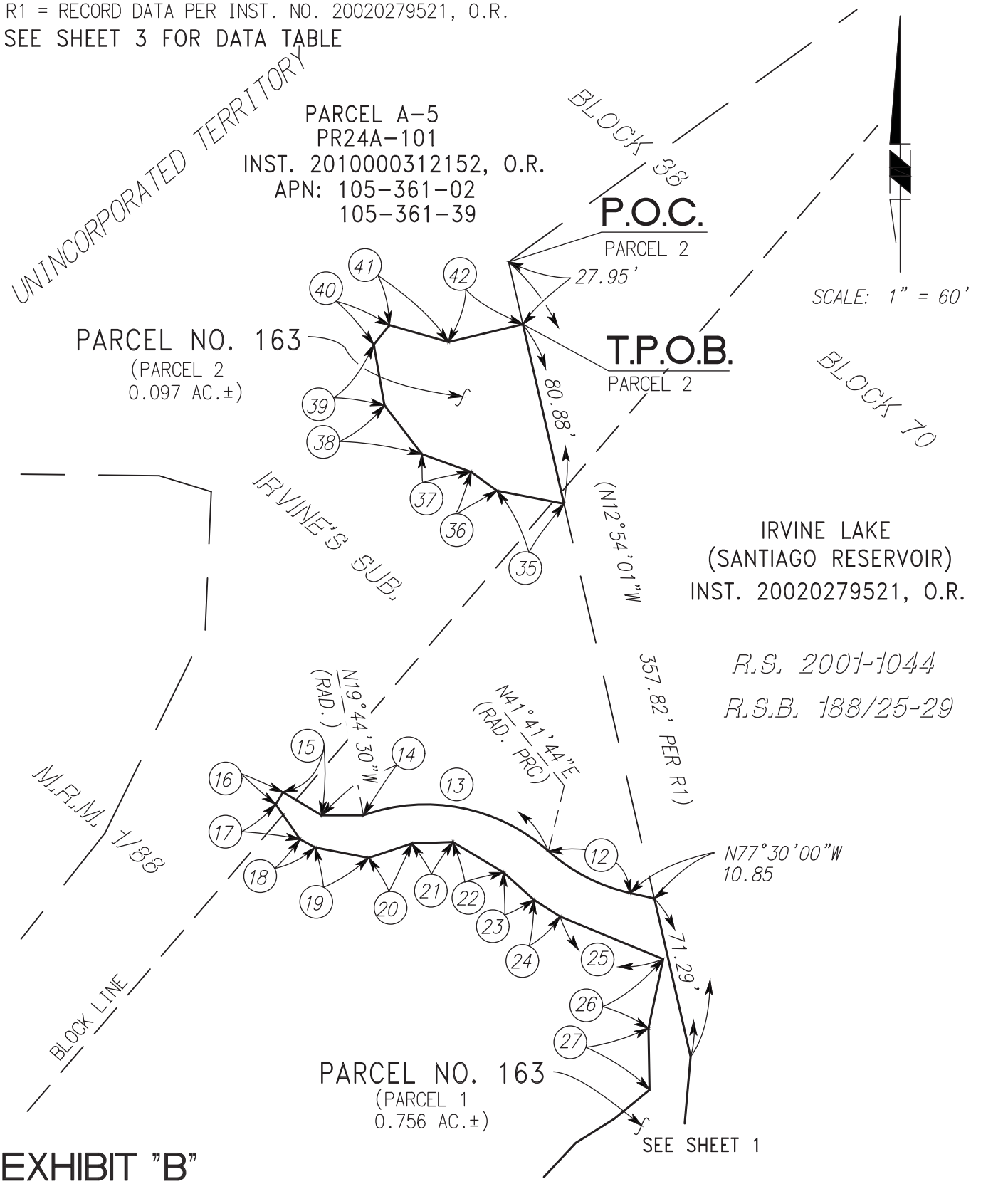


EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 163
SLOPE EASEMENT

SHEET 2 OF 3 SHEETS

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026 PROJECT 01813

DATA TABLE

1	S87°15'00"W	18.26'	
2	N02°45'00"W	25.35'	
3	Δ=16°15'00"	R=50.00'	L=14.18'
4	N13°30'00"E	36.50'	
5	Δ=35°17'38"	R=30.00'	L=18.48'
6	Δ=32°17'38"	R=60.00'	L=33.82'
7	N16°30'00"E	83.52'	
8	Δ=32°30'30"	R=68.00'	L=38.57'
9	N16°00'00"W	7.34'	
10	Δ=61°00'00"	R=73.50'	L=78.25'
11	N45°00'00"E	12.50'	
12	Δ=29°11'44"	R=80.00'	L=40.76'
13	Δ=61°26'14"	R=81.00'	L=86.85'
14	WEST	18.37'	
15	N59°00'00"W	19.72'	
16	S31°00'00"W	6.26'	
17	S35°00'00"E	18.64'	
18	S61°00'00"E	7.50'	
19	S79°00'00"E	24.00'	
20	N71°30'00"E	20.00'	
21	N88°00'00"E	18.00'	
22	S59°00'00"E	26.00'	
23	S48°00'00"E	18.00'	
24	S57°30'00"E	13.50'	
25	S67°30'00"E	49.00'	
26	S12°00'00"W	31.00'	
27	S01°00'00"E	27.00'	
28	S50°30'00"W	20.00'	
29	S58°00'00"W	20.00'	
30	S87°00'00"E	6.00'	
31	N65°00'00"E	6.00'	
32	S43°00'00"E	23.00'	
33	S71°00'00"E	11.00'	
34	N87°00'00"E	12.89'	
35	N79°00'00"W	30.00'	
36	N54°00'00"W	14.00'	
37	N70°00'00"W	23.00'	
38	N37°30'00"W	27.00'	
39	N10°00'00"W	27.00'	
40	N38°30'00"E	11.00'	
41	S74°00'00"E	27.00'	
42	N76°30'00"E	33.58'	

EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 3 OF 3 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 163
SLOPE EASEMENT

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Easement Agreement (Slope and Rock Anchor Wall Easement Along Santiago Landfill) to the IRVINE RANCH WATER DISTRICT, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution No. _____ of the Board of Directors, adopted on _____, and the grantee consents to recordation thereof by its duly authorized officer.

IRVINE RANCH WATER DISTRICT

Dated: _____ By: _____



EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 1 OF 3 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 163
SLOPE EASEMENT

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

2.4D SLOPE AND ROCK ANCHOR WALL EASEMENT



SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 2 OF 3 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 163
SLOPE EASEMENT

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

2.4D SLOPE AND ROCK ANCHOR WALL EASEMENT

RECORDED REQUESTED BY AND WHEN RECORDED, RETURN TO:

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618
Attn: General Manager

WITH A CONFORMED COPY TO:

County of Orange
c/o County Executive Office, Real Estate Services
400 W. Civic Center Drive, 5th floor
Santa Ana, CA 92701

Assessor's Parcel Nos. 545-071-18, 545-071-32, 545-071-33 (Space above line for Recorder's use only)

Exempt from Filing Fees per Gov. Code §§ 6103 and 27383 Exempt from Documentary Transfer Tax per Revenue and Taxation Code §11922

AMENDED EASEMENT AGREEMENT
(Pipeline Easement Along Santiago Creek - Facility PR24A, Parcel No. 165)

This Amended Easement Agreement ("**Easement Agreement**") is effective as of the date of its recordation in the Official Records of Orange County, California ("**Effective Date**") and is between the COUNTY OF ORANGE ("**County**"), a political subdivision of the State of California, and IRVINE RANCH WATER DISTRICT ("**District**"), a California Water District organized under and existing pursuant to Section 34000 et seq. of the California Water Code. Together the District and the County are the "**Parties**."

A. The District owns fee title to a dam and reservoir facility commonly known as "Irvine Lake" or the "Santiago Reservoir" (the "**Reservoir Property**" or "**Reservoir**"). The District operates pipelines and infrastructure adjacent to the Reservoir and dam, including Irvine Lake Pipeline (the "**Pipeline**"). IRWD holds an existing easement for the Pipeline pursuant to that *Grant to Irvine Ranch Water District of Easement for Water Transmission Line by the Irvine Company*, recorded in the Official Records of Orange County on June 12, 1974 in Book 11167, Page 1980 (the **"Original Easement**.") The County owns and maintains real property adjacent to the Reservoir ("**County's Property**").

B. The District is planning a dam improvement project at the Reservoir that largely consists of replacing the existing spillway structure and outlet tower with a new spillway structure and inclined outlet structure and other related site improvements (the "**Project**"). As part of the Project, District must relocate a segment of the Pipeline on the County's Property. The Parties intend by this Amended Easement Agreement to amend the Original Easement to provide for the relocation of the existing Irvine Lake Pipeline to a new location as provided herein.

The Parties therefore agree as follows:

1. Amendment to Original Easement.

To accommodate the relocated portion of the Pipeline, the legal description of the Original Easement is hereby amended to include the area as described and depicted in the attached Exhibit A and Exhibit B.

2. Continued Effect.

Except as specifically modified herein, the Original Easement shall continue in full force and effect.

[Signatures appear on following page.]

The Parties have executed this Easement Agreement as of the date indicated below.

Date: _____

COUNTY OF ORANGE

APPROVED AS TO FORM:

By: _____
Michael A. Haubert
Deputy County Counsel

By: _____
Thomas A. Miller
Chief Real Estate Officer

IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

By: _____
Claire H. Collins
General Counsel

By: _____
Paul A. Cook
General Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

EXHIBIT "A"

LEGAL DESCRIPTION

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 165

That certain parcel of land situated in the unincorporated territory of the County of Orange, State of California being those portions of Blocks 38 and 70 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within Parcel 3 (PR24A-113) as described in that certain Gift Deed recorded December 29, 2014 as Instrument No. 2014000562473 of Official Records, and within Parcel A-5 (PR24A-101) as described in that certain Gift Deed recorded July 1, 2010 as Instrument No. 2010000312152 of Official Records all in the Office of the County Recorder of said County included within a strip of land 20.00 feet wide, the centerline of which is described as follows:

COMMENCING at the northeasterly terminus of that certain course in the general northwesterly line of Irvine Lake (also known as Santiago Reservoir) described as having a bearing and distance of North 59°51'18" East 306.49 feet in that certain Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records in said Office of the County Recorder; thence along said course South 59°51'18" West 98.85 feet to the **TRUE POINT OF BEGINNING**;

Thence leaving said line North 18°30'00" West 140.50 feet;

Thence North 24°50'00" West 250.00 feet to a point of terminus.

The sidelines of said strip shall be lengthened or shortened so as to terminate southeasterly in said general northwesterly line of Irvine Lake and northwesterly in a line perpendicular to said point of terminus.

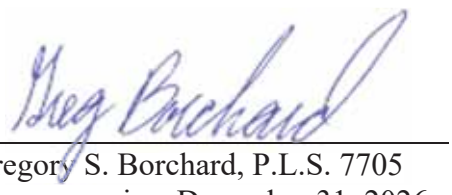
CONTAINING: 0.179 acres, more or less.

SUBJECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

EXHIBIT "B" attached hereto and by this reference made a part hereof.

Prepared by me or under my direction:

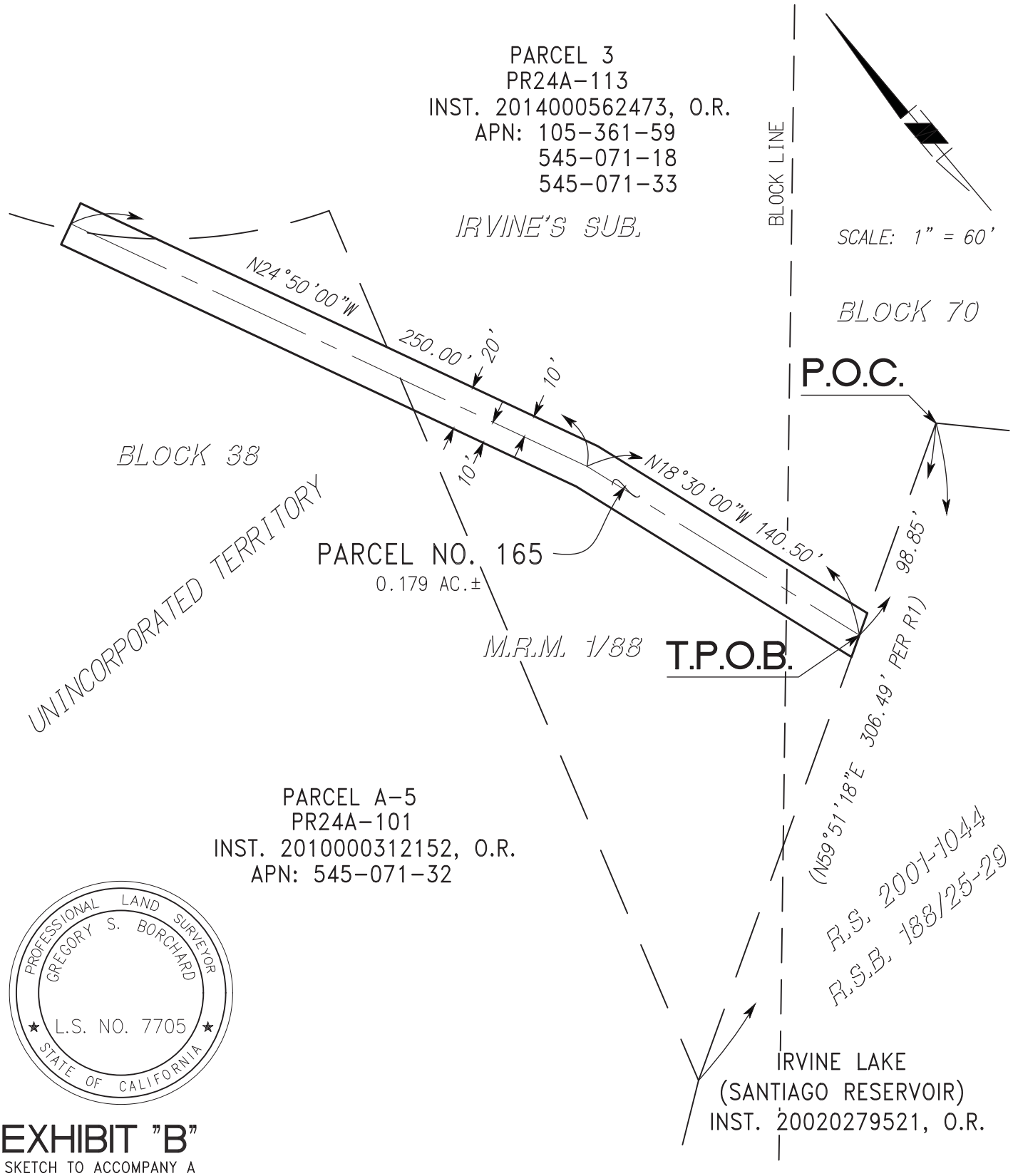
Dated: June 4, 2026



Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026



R1 = RECORD DATA PER INST. NO. 20020279521, O.R.



PROFESSIONAL LAND SURVEYOR
GREGORY S. BORCHARD
L.S. NO. 7705
STATE OF CALIFORNIA

EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 165
WATER PIPELINE EASEMENT (ILP)

SHEET 1 OF 1 SHEET

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Amended Easement Agreement (Pipeline Easement Along Santiago Creek) to the IRVINE RANCH WATER DISTRICT, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution No. _____ of the Board of Directors, adopted on _____, and the grantee consents to recordation thereof by its duly authorized officer.

IRVINE RANCH WATER DISTRICT

Dated: _____ By: _____



PROFESSIONAL LAND SURVEYOR
GREGORY S. BORCHARD
L.S. NO. 7705
STATE OF CALIFORNIA

EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 1 OF 1 SHEET

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 165
WATER PIPELINE EASEMENT (ILP)

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

RECORDED REQUESTED BY AND WHEN RECORDED, RETURN TO:

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618
Attn: General Manager

WITH A CONFORMED COPY TO:

County of Orange
c/o County Executive Office, Real Estate Services

400 W. Civic Center Drive, 5th floor
Santa Ana, CA 92701

Assessor's Parcel No. 105-361-59, 545-071-18, 545-071-33 (Space above line for Recorder's use only)

Exempt from Filing Fees per Gov. Code §§ 6103 and 27383 Exempt from Documentary Transfer Tax per Revenue and Taxation Code §11922

EASEMENT AGREEMENT
(Irvine Lake Spillway - Facility PR24A, Parcel No. 164)

This Easement Agreement ("**Easement Agreement**") is effective as of the date of its recordation in the Official Records of Orange County, California ("**Effective Date**") and is between the COUNTY OF ORANGE ("**County**"), a political subdivision of the State of California, and IRVINE RANCH WATER DISTRICT ("**IRWD**" or the "**District**"), a California Water District organized under and existing pursuant to Section 34000 et seq. of the California Water Code. Together IRWD and the County are the "**Parties**."

A. The District owns fee title to a dam and reservoir facility commonly known as "Irvine Lake" or the "Santiago Reservoir" (the "**Reservoir Property**" or "**Reservoir**"). The County owns real property adjacent to the Reservoir ("**County's Property**").

B. The District is planning a dam improvement project at the Reservoir that largely consists of replacing the existing spillway structure and outlet tower with a new spillway structure and inclined outlet structure and other related site improvements (the "**Project**"). The Parties intend by this Easement Agreement to provide for IRWD's permanent installation and maintenance of the spillway structure on the County's Property, as described and depicted respectively in Exhibits A and B.

The Parties therefore agree as follows:

1. Grant of Easement. County hereby grants to the District, its invitees, employees, agents, and contractors a perpetual, non-exclusive easement and right-of-way solely for the installation, operation, maintenance, repair, and replacement of the concrete dam spillway and associated facilities, and for access reasonably necessary for those purposes (the "**Easement**"). This easement shall include, but not by way of limitation, the right to construct, reconstruct, remove and replace, renew, inspect, maintain, repair, improve, enter upon, and otherwise use the

hereinafter described property for these purposes, together with incidental appurtenances and connections, reasonably necessary for the operation of the spillway, in, over, under, upon, along, through and across the real property described in **Exhibit "A**" and depicted in **Exhibit "B**", which exhibits are attached hereto and made a part hereof (the "**Easement Area**"), as necessary in connection with the use, operation and maintenance of the spillway facilities lying within the Easement Area. This easement shall also include the right to construct, reconstruct, remove and replace, renew, inspect, maintain, repair, improve, enter upon, and otherwise use parallel or any other facilities or appurtenances of the same general type and purpose as the originally installed facilities within the Easement Area, provided that any material expansion, modification, or addition of new structures shall require the prior written approval of the County. All construction and maintenance activities within the Easement Area shall be conducted in a manner that minimizes disturbance and shall include restoration of temporarily impacted areas to pre-project or better conditions, subject to County approval.

2. Environmental Restrictions.

The Easement Area is within, in whole or in part, the *South Orange County Natural Communities Conservation Plan/Master Streambed Alteration Agreement/Habitat Conservation Plan* ("**NCCP/MSAA/HCP**") for the Southern Subregion of the Coastal Sage Scrub Natural Community Conservation Program ("**Program**"). The purpose of said Program is to establish and maintain a multiple-species, multiple-habitat subregional reserve system and implement a long term "adaptive management" program to protect coastal sage scrub and other habitats and species within the Coastal Sage Scrub habitat mosaic. The IA, NCCP/MSAA/HCP, and Program have provisions that may affect and restrict the use of the Easement Area.

The District shall always remain in compliance with, and not violate any terms of, the NCCP/MSAA/HCP requirements as they relate to the Easement Area or when carrying out any of the rights granted herein. The District agrees to notify the County and United States Fish and Wildlife Service (USFW) thirty (30) days prior to commencement of Spillway related work within the Easement Area. The County shall not be responsible for any regulatory obligations or requirements related to or arising from the District's activities. At no cost to County, the District shall be responsible for any costs or financial obligations associated with the District's compliance with any regulatory requirements, including but not limited to, mitigation of impacts through restoration of habitat. If the District proposes to satisfy mitigation obligations through restoration of habitat on County property, the District shall (i) secure the County's written approval as to use or encumbrance of County property prior to completing any permit applications with regulatory agencies and (ii) apply for a temporary or permanent easement, if applicable, prior to proceeding with any restoration work. Further, the District shall comply with any and all requirements set forth by the IA, and USFW with respect to conformance with the NCCP/MSAA/HCP and provide the County with evidence of such compliance.

3. Subject to Matters of Record or Apparent. In addition to the terms and conditions set forth in this Easement Agreement, the Easement conveyed to the District hereunder is subject to all easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record or apparent or of which the District has actual notice, including any applicable Conservation Easements and Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) requirements and constraints affecting the Easement Area.

4. Non-Exclusive Rights. The District's use of the Easement Area will be non-exclusive, and County shall not enter upon, use or grant to others the non-exclusive right to use the property burdened by the Easement, without prior notification to the District, which shall not be unreasonably withheld and shall allow for County operations (e.g. authorized County personnel, agents, or contractors personnel; not public use) and for County emergency access.

5. Appurtenant to the Reservoir. The Easement is appurtenant to the Reservoir Property, which will be the dominant tenement and the County's Property is the servient tenement.

6. Compliance with Law. The District will be responsible for complying with all laws, ordinances, and regulations with respect to its use of the Easement, including all applicable environmental laws, permit requirements, and regulatory obligations, and shall be solely responsible, at its sole costs and expense, for any mitigation, restoration, or compliance actions required as a result of its activities within the Easement Area.

7. OC Parks Foundation Conservation Easement.

a. The OC Parks Foundation (OCPF) holds a Conservation Easement (duly recorded on December 29, 2014 in the County of Orange as Instrument No. 2014000561433) across portions of the Easement Area. OCPF has granted approval for the activities contemplated in this TCE Agreement pursuant to its letter dated June 19, 2026, which shall be attached to the *Easement and Reimbursement Agreement (Santiago Creek Dam Improvement Project)*. The portions of this Easement within the Conservation Easement shall be managed in compliance with the OCPF Conservation Easement. Adherence and implementation of any conditions/requirements set forth by OCPF for impacts allowed in accordance with this Easement shall be the sole responsibility of the District and implemented at the sole cost of the District.

8. Damage and Repairs.

a. If the District damages any portion of the Easement Area or any other property of County during its use of the Easement Area , the District shall, at its sole cost and expense, promptly repair and restore the same or better condition that existed prior to the damage to the satisfaction of the County; provided, however, that prior to any such repair, the District shall, within forty-five (45) days of the damage, review its planned repair with County, , to confirm that such repair will be done to the reasonable specifications of County. In the event of any structural failure, erosion, sedimentation, or other emergency condition associated with the spillway, the District shall notify the County and take all necessary actions to stabilize, repair, and remediate any resulting damage. The District shall not cause any liens of any kind to be filed against the Easement Area or any other portion of County's Property as a result of such repair activities.

9. Failure to Perform. To the extent that the repair of any District's damage is not completed by the District to the satisfaction of the County within forty-five (45) business days of the District's receipt of County's approval of the District's proposed repair as described in

Section 6 above (or if such damage is not capable of repair within such period, if the District has not commenced such repair within such period and diligently thereafter completed such repairs), then County may perform such repair and the cost thereof shall be paid by the District within sixty (60) days of its receipt of County's invoice and backup documentation substantiating the work performed.

10. Indemnity.

a. The District shall indemnify, defend, and hold the County and any other person or entity controlling, controlled by or under common control with the County, and each of their elected officials, officers, directors, employees, representatives, agents, successors and assigns (collectively, the "**County Indemnitees**") harmless from and against any and all claims, obligations, damages, liabilities, costs, and expenses (including but not limited to attorneys' fees and costs), whether made against or incurred by County or any other Indemnitee (collectively, "**Claims**"), arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the Easement Area by the District, its officers, directors, employees, invitees, contractors, and agents, and the respective employees thereof; and/or (b) breach of any of the terms of this Easement Agreement by the District, including any Claims arising from the spillway failure, leakage, or environmental impact, and any regulatory enforcement actions associated therewith; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the negligence or intentional misconduct of the County Indemnitees. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein.

11. Controlling Law. This Easement Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

12. Attorneys' Fees. In any proceeding between the parties seeking enforcement of or attempting to construe any of the terms and provisions of this Easement Agreement, including, without limitation, any litigation seeking legal, declaratory or other relief, each Party shall bear its own costs, including but not limited to attorneys' fees and costs.

13. Notices. Any notice, demand or other communication to be given by either party to the other hereunder shall be given by personal service, Federal Express or other reputable overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the parties at their respective addresses as follows:

IF TO DISTRICT:

Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

IF TO COUNTY:

OC Parks
13042 Old Myford Road
Irvine, CA 92602
Attn: Director, OC Parks

With a copy to:

County Executive Office, Real Estate Services
400 West Civic Center Dr., 5th Floor
Santa Ana, CA 92701
Attention: Chief Real Estate Officer

Any such notice shall be deemed to have been given upon delivery or, if mailed, forty-eight (48) hours after deposit in the mail as aforesaid. Either party may change the address where it desires to receive notice upon giving written notice of such request to the other party.

14. Construction. Headings at the beginning of any section of this Easement Agreement are solely for the convenience of the parties and are not a part of this Easement Agreement. This Easement Agreement shall not be construed as if it has been prepared by either party, but rather as if both parties have prepared the same.

15. Waiver; Remedies. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

16. Successors. Any assignment of the rights conferred upon the District may only be assigned with the permission of County, whose permission shall not be unreasonably withheld. Assignment of the District's rights to another public entity shall be deemed acceptable to County. The provisions of this Easement Agreement shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns.

17. No Third Party Beneficiaries. No person or entity other than the parties to this Easement Agreement shall be deemed to be a third party beneficiary hereof, and nothing in this Easement Agreement, either express or implied, is intended to confer upon any person or entity, other than the parties to this Easement Agreement (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Easement Agreement.

18. Entire Agreement. This Easement Agreement, including the exhibits attached hereto which are incorporated herein by this reference, contains the entire agreement between the parties relating to the rights granted herein and the obligations herein assumed, subject to that

certain unrecorded instrument between the Parties known as the *Easement and Reimbursement Agreement (Santiago Creek Dam Improvement Project)* entered into on _____, 2026, and any amendments related thereto. Any oral representations or modifications concerning this document shall be of no force or effect except a subsequent modification in writing, signed by the party to be charged.

[Signatures appear on following page.]

The Parties have executed this Easement Agreement as of the date indicated below.

Date: _____

COUNTY OF ORANGE

APPROVED AS TO FORM:

By: _____
Thomas A. Miller
Chief Real Estate Officer

By: _____
Michael A. Haubert
Deputy County Counsel

IRVINE RANCH WATER DISTRICT

By: _____
Paul A. Cook
General Manager

APPROVED AS TO FORM:

By: _____
Claire H. Collins
General Counsel

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

EXHIBIT "A"

LEGAL DESCRIPTION

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 164

That certain parcel of land situated in the unincorporated territory of the County of Orange, State of California being that portion of Blocks 38 and 70 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within Parcel 3 (PR24A-113) as described in that certain Gift Deed recorded December 29, 2014 as Instrument No. 2014000562473 of Official Records, both in the Office of the County Recorder of said County being further described as follows:

BEGINNING at the northwesterly terminus of that certain course in the general northeasterly line of Irvine Lake (also known as Santiago Reservoir) described as having a bearing and distance of South 44°07'46" East 892.62 feet in that certain Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records in said Office of the County Recorder; thence along said course South 44°07'46" East 226.75 feet;

Thence leaving said general northeasterly line North 20°00'00" East 34.00 feet to the beginning of a tangent curve concave southwesterly and having a radius of 34.00 feet;

Thence northerly and westerly along said curve through a central angle of 82°00'00" an arc distance of 48.66 feet;

Thence tangent to said curve North 62°00'00" West 3.00 feet;

Thence North 28°00'00" East 83.00 feet to the beginning of a tangent curve concave westerly and having a radius of 25.00 feet;

Thence northerly and westerly along said curve through a central angle of 88°00'00" an arc distance of 38.40 feet;

Thence tangent from said curve North 60°00'00" West 23.50 feet;

Thence North 30°00'00" East 37.00 feet to the beginning of a tangent curve concave westerly and having a radius of 12.50 feet;

Thence northerly and westerly through a central angle of 90°00'00" an arc distance of 19.63 feet;

Thence tangent to said curve North 60°00'00 West 140.44 feet;

Thence South 67°30'00" West 63.43 feet;

Thence North 89°30’00” West 86.45 feet;

Thence South 30°30’00” West 50.67 feet;

Thence South 18°13’00” East 54.17 feet;

Thence South 29°00’00” West 152.40 feet to a point on that certain course in the general northwesterly line of said Irvine Lake described in said Grant Deed as having a bearing and distance of North 59°51’18” East 306.49 feet;

Thence along said general northwesterly line North 59°51’18” East 202.95 feet to the **POINT OF BEGINNING**.

CONTAINING: 1.286 acres, more or less.

SUBJECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

EXHIBIT “B” attached hereto and by this reference made a part hereof.

Prepared by me or under my direction:

Dated: June 4, 2026



Greg Borchard

Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026

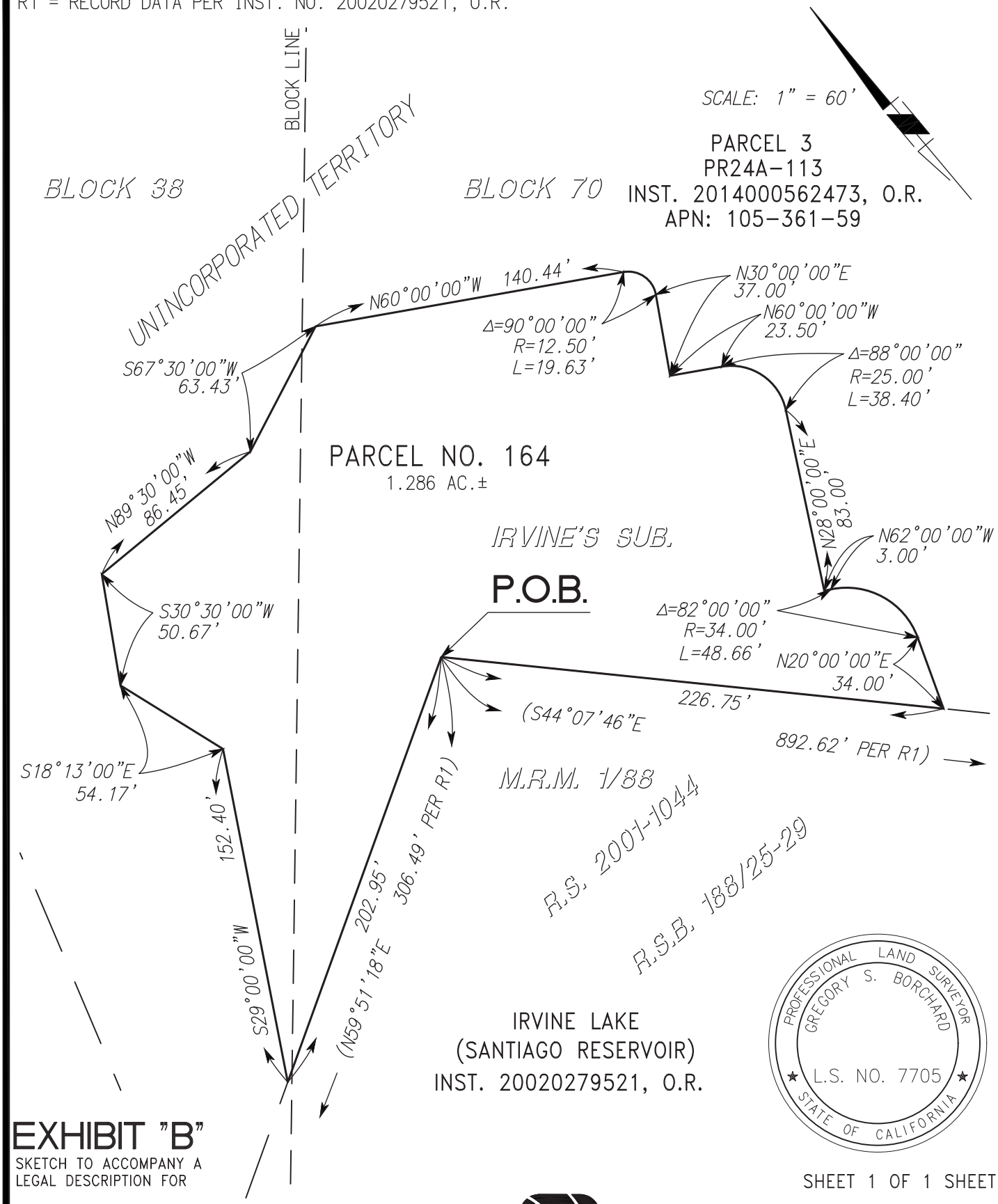


EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 164
SPILLWAY EASEMENT

SHEET 1 OF 1 SHEET

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026 PROJECT 01813

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Easement Agreement (Irvine Lake Spillway) to the IRVINE RANCH WATER DISTRICT, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution No. _____ of the Board of Directors, adopted on _____, and the grantee consents to recordation thereof by its duly authorized officer.

IRVINE RANCH WATER DISTRICT

Dated: _____ By: _____



EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 1 OF 1 SHEET

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 164
SPILLWAY EASEMENT

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026 PROJECT 01813

RECORDED REQUESTED BY AND WHEN RECORDED, RETURN TO:

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618
Attn: General Manager

WITH A CONFORMED COPY TO:

Orange County
County Administration North
400 W. Civic Center Drive
Santa Ana, CA 92701

Assessor's Parcel Nos. 105-361-02, 105-361-39, 105-361-59, 105-361-61, 545-061-30, 545-071-18, 545-071-33

(Space above line for Recorder's use only)

Exempt from Filing per Gov. Code §§ 6103 and 27383

Exempt from Documentary Transfer Tax per Revenue and Taxation Code §11922

TEMPORARY CONSTRUCTION EASEMENT AGREEMENT
(Santiago Reservoir Dam/Spillway Improvements PR24A, Parcel No. 168)

This Temporary Construction Easement Agreement ("**TCE Agreement**") is effective as of the date of its recordation in the Official Records of Orange County, California ("**Effective Date**") and is between the COUNTY OF ORANGE ("**County**"), and the IRVINE RANCH WATER DISTRICT, a California Water District organized under and existing pursuant to Section 34000 et seq. of the California Water Code ("**IRWD**" or the "**District**"). Together IRWD and the County are the "**Parties**."

A. The District owns fee title to a dam and reservoir facility commonly known as "Irvine Lake" or the "Santiago Reservoir" (the "**Reservoir Property**" or "**Reservoir**") and the County owns open space property adjacent to the Reservoir ("**County's Property**").

B. The District is planning a dam improvement project at the Reservoir that largely consists of replacing the existing spillway structure and outlet tower with a new spillway structure and inclined outlet structure and other related site improvements (the "**Project**"). The Parties intend by this Easement Agreement to provide for IRWD's temporary use of certain areas on the County's Property to construct the Project, as further described herein.

The Parties therefore agree as follows:

1. Grant of Temporary Construction Easement. The County hereby grants to the District, its invitees, employees, agents, and contractors, a temporary, non-exclusive construction and access easement (collectively, the "**Easement**") in, on, over, under, through, along, and across the portion of the County's Property, more particularly described on Exhibit A and depicted on Exhibit B (the "**Easement Area**") for the purposes of construction staging and laydown; the storage of equipment, materials, formwork, cranes, and vehicles; the installation

and operation of a temporary concrete production facility; operation of a temporary diversion and water treatment facility; and other construction activities related to the Project, provided that any material expansion, modification, or addition of new structures shall require the prior written approval of the County. The Easement also includes temporary access for IRWD to enter County Property and perform restoration and maintenance of areas temporarily impacted by the Project. All construction and maintenance activities within the Easement Area shall be conducted in a manner that minimizes disturbance and shall include restoration of temporarily impacted areas to pre-project or better conditions, subject to County approval.

2. Environmental Restrictions.

a. The Easement Area is within, in whole or in part, the *South Orange County Natural Communities Conservation Plan/Master Streambed Alteration Agreement/Habitat Conservation Plan* ("**NCCP/MSAA/HCP**") for the Southern Subregion of the Coastal Sage Scrub Natural Community Conservation Program ("**Program**"). The purpose of said Program is to establish and maintain a multiple-species, multiple-habitat subregional reserve system and implement a long term "adaptive management" program to protect coastal sage scrub and other habitats and species within the Coastal Sage Scrub habitat mosaic. The Implementation Agreement (IA), NCCP/MSAA/HCP, and Program have provisions that may affect and restrict the use of the Easement Area.

b. The District shall always remain in compliance with, and not violate any terms of, the NCCP/MSAA/HCP requirements as they relate to the Easement Area or when carrying out any of the rights granted herein. District agrees to notify the County and United States Fish and Wildlife Service (USFWS) prior to commencement of temporary construction related work within the Easement Area. The County shall not be responsible for any regulatory obligations or requirements related to or arising from the District's activities. At no cost to the County, the District shall be responsible for any costs or financial obligations associated with the District's compliance with any regulatory requirements, including but not limited to, mitigation of impacts through restoration of habitat. If the District proposes to satisfy mitigation obligations through restoration of habitat on County property, the District shall (i) secure the County's written approval as to use or encumbrance of County property prior to completing any permit applications with regulatory agencies and (ii) apply for a temporary or permanent easement, if applicable, prior to proceeding with any restoration work. Further, the District shall comply with any and all requirements set forth by the IA, and USFW with respect to conformance with the NCCP/MSAA/HCP and provide the County with evidence of such compliance.

3. Limited Access. The County shall not enter upon, use or grant to others the non-exclusive right to use the property burdened by the Easement, without prior notification to the District, which shall not be unreasonably withheld, and shall allow for County operations (e.g. authorized County personnel, agents, or contractors personnel; not public use) and for County emergency access.

4. Subject to Matters of Record or Apparent. In addition to the terms and conditions set forth in this TCE Agreement, the Easement conveyed to the District hereunder is subject to all easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record or apparent or of which the District has actual notice.

5. Appurtenant to the Reservoir. The Easement is appurtenant to the Reservoir Property, which will be the dominant tenement and the County's Property is the servient tenement.

6. Construction Requirements. The District may use the Easement Area to construct the Project, subject to compliance with the following requirements:

a. All construction must be in accordance with all applicable requirements of any governmental authorities having jurisdiction (the "**Governing Agencies**").

b. All construction must: (i) comply with the plans for same approved by the Governing Agencies; and (ii) be performed in a manner so that sediment erosion and other pollutant drainage into the Reservoir does not exceed amounts permissible under: (a) law, (b) agreements between the parties to this Agreement, and (c) permits issued by Governing Agencies in connection with construction of the Project.

c. No materials or equipment used for the construction work may be stored or stockpiled within any other area of County-owned property, unless otherwise done in accordance with the terms of this TCE Agreement or with prior written permission from the County

d. The District shall keep Dam Road clear and free of any materials, equipment, or other hinderances for vehicular access by County staff or contractors. The District shall also coordinate with the County to maintain continued public access across Dam Road.

e. The County will not have any responsibility or obligation whatsoever for construction of the Project, and all responsibility for the funding and the performance of such work will rest solely with the District.

f. The District shall obtain, at their own expense, all necessary permits and authorizations from the Governing Agencies related to construction of the Project.

g. The District shall promptly record a notice of completion with the County Recorder of Orange County and shall pay all claims for labor and material incurred with respect to the work activities of the District hereunder that could become a lien upon the Easement Area.

h. If the District damages any portion of the Easement Area during the District's construction activities, the District shall, at its sole cost and expense, promptly repair and restore the same to the condition that existed prior to the damage.

i. The District shall not cause any liens of any kind to be filed against the Easement Area as a result of the District's construction of the Project. If any such lien is filed, the District shall, at its sole cost and expense, take such actions as are necessary to cause the lien to be satisfied and discharged or to cause such lien to be removed of record.

7. OC Parks Foundation Conservation Easement.

a. The OC Parks Foundation (OCPF) holds a Conservation Easement (duly recorded on December 29, 2014 in the County of Orange as Instrument No. 2014000561433) across portions of the Easement Area. OCPF has granted approval for the activities contemplated in this TCE Agreement pursuant to its letter dated June 19, 2026, which shall be attached to the *Easement and Reimbursement Agreement (Santiago Creek Dam Improvement Project)*. The portions of this Easement within the Conservation Easement area shall be managed in compliance with the Conservation Easement. Adherence and implementation of any conditions/requirements set forth by OCPF for impacts allowed in accordance with this Easement shall be the sole responsibility of the District and implemented at the sole cost of the District.

8. Term; Termination. The rights conveyed pursuant to this TCE Agreement will become effective on the date that is ten (10) business days after the District provides notice to the County in writing of their intent to commence construction (the "**Notice of Intent**"). The TCE shall terminate five (5) years after the date of the Notice of Intent, or upon IRWD's filing of a Notice of Completion for the Project, whichever comes first, unless the County agrees to extension as supported with appropriate consideration from the District. Upon termination of the Easement, at the request of the County, the District shall quitclaim the rights conveyed in this TCE Agreement to the County.

9. Compliance with Law. The District will be responsible for complying with all laws, ordinances and regulations with respect to its use of the Easement.

10. Damage and Repairs. If the District damages any portion of the Easement Area or any other property of County during its use of the Easement Area, the District shall, at its sole cost and expense, promptly repair and restore the same to the condition that existed prior to the damage; provided, however, that prior to any such repair, the District shall, within forty-five (45) days of the damage, review its planned repair with County, to confirm that such repair will be done to the reasonable specifications of County. The District shall not cause any liens of any kind to be filed against the Easement Area or any other portion of County's Property as a result of such repair activities.

11. Failure to Perform. To the extent that the repair of any District damage is not completed by the District within forty-five (45) business days of the District's receipt of County's approval of the District's proposed repair as described in Section 7 above (or if such damage is not capable of repair within such period, if the District has not commenced such repair within such period and diligently thereafter completed such repairs), then County may perform such repair and the cost thereof shall be paid by the District within sixty (60) days of its receipt of County's invoice and backup documentation substantiating the work performed.

12. Indemnity. The District shall indemnify, defend, and hold County and any other person or entity controlling, controlled by or under common control with County, and each of their elected officials, officers, directors, employees, representatives, agents, successors and assigns (collectively, the "**County Indemnitees**") harmless from and against any and all claims, obligations, damages, liabilities, costs, and expenses (including but not limited to attorneys' fees and costs), whether made against or incurred by County or any other Indemnitee (collectively, "**Claims**"), arising out of or related to injuries to or death of any person or damage to any

property resulting from or caused by: (a) use of the Easement Area by the District, their officers, directors, employees, invitees, contractors, and agents, and the respective employees thereof; and/or (b) breach of any of the terms of this Easement Agreement by the District; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the negligence or intentional misconduct of the County Indemnitees or any of them. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein. The District's and County Indemnitees' obligations under this Section shall survive until lapse of the applicable statutory period for limitation of actions, irrespective of whether the easement rights set forth herein have expired or been terminated.

13. Controlling Law. This TCE Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

14. Attorneys' Fees. In any proceeding between the parties seeking enforcement of or attempting to construe any of the terms and provisions of this TCE Agreement, including, without limitation, any litigation seeking legal, declaratory or other relief, each Party shall bear its own costs, including but not limited to attorneys' fees and costs.

15. Notices. Any notice, demand or other communication to be given by either party to the other hereunder shall be given by personal service, Federal Express or other reputable overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the parties at their respective addresses as follows:

IF TO DISTRICT:

Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

IF TO COUNTY:

OC Parks
13042 Old Myford Road
Irvine, CA 92602
Attn: Director, OC Parks

OC Waste & Recycling
601 N. Ross St., 5th Floor
Santa Ana, CA 92701
Attention: Director, OC Waste & Recycling

With a copy to:

County Executive Office, Real Estate Services
400 West Civic Center Dr., 5th Floor
Santa Ana, CA 92701Attention: Chief Real Estate Officer

Any such notice shall be deemed to have been given upon delivery or, if mailed, forty-eight (48) hours after deposit in the mail as aforesaid. Either party may change the address where it desires to receive notice upon giving written notice of such request to the other party.

16. Construction. Headings at the beginning of any section of this TCE Agreement are solely for the convenience of the parties and are not a part of this TCE Agreement. This TCE Agreement shall not be construed as if it has been prepared by either party, but rather as if both parties have prepared the same.

17. Waiver; Remedies. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

18. Successors. Any assignment of the rights conferred upon the District herein may only be assigned with the permission of County, whose permission shall not be unreasonably withheld. Assignment of the District's rights to another public entity shall be deemed acceptable to County. The provisions of this Easement Agreement shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns.

19. No Third Party Beneficiaries. No person or entity other than the parties to this Easement Agreement shall be deemed to be a third party beneficiary hereof, and nothing in this Easement Agreement, either express or implied, is intended to confer upon any person or entity, other than the parties to this Easement Agreement (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Easement Agreement.

20. Entire Agreement. This TCE Agreement, including the exhibits attached hereto which are incorporated herein by this reference, contains the entire agreement between the parties relating to the rights granted herein and the obligations herein assumed, subject to that certain unrecorded instrument between the Parties known as the *Easement and Reimbursement Agreement (Santiago Creek Dam Improvement Project)* entered into on _____, 2026, and any amendments related thereto. Any oral representations or modifications concerning this document shall be of no force or effect except a subsequent modification in writing, signed by the party to be charged..

[Signatures appear on following page.]

The Parties have executed this TCE Agreement as of the date indicated below.

Date: _____

COUNTY OF ORANGE

APPROVED AS TO FORM:

By: _____
Michael A. Haubert
Deputy County Counsel

By: _____
Thomas A. Miller
Chief Real Estate Officer

IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

By: _____
Claire H. Collins
General Counsel

By: _____
Paul A. Cook
General Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

EXHIBIT "A"

LEGAL DESCRIPTION

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 168

That certain parcel of land situated in the unincorporated territory of the County of Orange, State of California being those portions of Blocks 38, 69 and 70 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within Parcel A-5 (PR24A-101) as described in that certain Gift Deed recorded July 1, 2010 as Instrument No. 2010000312152 of Official Records, and Parcel 3 (PR24A-113) as described in that certain Gift Deed recorded December 29, 2014 as Instrument No. 2014000562473 of Official Records, all in the Office of the County Recorder of said County being further described as follows:

BEGINNING at the southerly terminus of that certain course in the general westerly line of Irvine Lake (also known as Santiago Reservoir) described as having a bearing and distance of North 12°54'01" West 357.82 feet in that certain Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records in said Office of the County Recorder; thence along said general westerly line and the general northeasterly line of said Irvine Lake in said Grant Deed the following courses:

North 12°54'01" West 357.82 feet;

Thence North 54°02'59" East 208.11 feet;

Thence North 59°51'18" East 306.49 feet;

Thence South 44°07'46" East 892.62 feet;

Thence South 84°00'15" East 573.66 feet;

Thence North 16°57'17" West 100.00 feet;

Thence leaving said general northeasterly line West 130.38 feet;

Thence North 53°15'00" West 137.28 feet to the beginning of a tangent curve concave northeasterly and having a radius of 82.50 feet;

Thence northwesterly and northerly along said curve through a central angle of 50°04'00" an arc distance of 72.09 feet;

Thence tangent to said curve North 03°11'00" West 112.46 feet to the beginning of a tangent curve concave westerly and having a radius of 107.50 feet;

Thence northerly along said curve through a central angle of 16°35'00" an arc distance of 31.11 feet;

Thence tangent to said curve North 19°46’00” West 83.49 feet to the beginning of a tangent curve concave easterly and having a radius of 67.50 feet;

Thence northerly along said curve through a central angle of 12°49’00” an arc distance of 15.10 feet;

Thence tangent to said curve North 06°57’00” West 29.42 feet to the beginning of a tangent curve concave southwesterly and having a radius of 125.00 feet;

Thence northwesterly along said curve through a central angle of 27°33’00” an arc distance of 60.10 feet;

Thence tangent to said curve North 34°30’00” West 389.18 feet;

Thence North 48°00’00” West 13.88 feet;

Thence North 56°00’00” West 24.10 feet;

Thence North 72°00’00” West 30.46 feet;

Thence North 84°00’00” West 26.49 feet;

Thence North 89°00’00” West 22.87 feet;

Thence South 86°00’00” West 25.61 feet;

Thence South 84°00’00” West 41.61 feet;

Thence South 79°00’00” West 50.17 feet;

Thence North 29°00’00” West 18.57 feet;

Thence North 38°00’00” West 80.00 feet;

Thence South 66°00’00” West 58.70 feet;

Thence North 49°00’00” West 45.32 feet;

Thence South 86°00’00” West 150.12 feet;

Thence North 70°00’00” West 93.07 feet;

Thence South 66°00’00” West 30.00 feet;

Thence South 30°00’00” West 117.50 feet;

South 52°00’00” West 49.19 feet;

Thence North 24°50’00” West 197.62 feet;

Thence South 65°10’00” West 60.00 feet;

Thence South 24°50’00” East 268.00 feet;

Thence South 30°00’00” West 229.72 feet;

Thence South 57°00’00” West 289.16 feet;

Thence South 45°30’00” West 36.50 feet;

Thence South 200.72 feet;

Thence South 49°00’00” East 6.75 feet;

Thence South 23°00’00” West 44.61 feet;

Thence South 75°00’00” East 155.14 feet;

Thence South 15°00’00” West 30.00 feet;

Thence South 44°00’00”West 100.00 feet;

Thence South 20°00’00” West 115.32 feet;

Thence South 65.04 feet;

Thence South 37°30’00” West 16.12 feet;

Thence West 17.77 feet;

Thence South 24°00’00” West 26.59 feet;

Thence South 12°00’00” East 22.04 feet;

Thence South 43°00’00” East 42.47 feet;

Thence South 14°30’00” East 21.76 feet;

Thence South 25°00’00” East 54.74 feet;

Thence South 71°00’00” East 41.34 feet to said general westerly line of Irvine Lake described in said Grant Deed as having a bearing and distance of North 51°17’34” East 111.10 feet;

Thence along said general westerly line as described in said Grant Deed North 51°17’34” East 29.37 feet;

Thence continuing along said general westerly line North 14°53’39” East 251.22 feet;

Thence continuing along said general westerly line North 05°06’16” East 156.35 feet to the **POINT OF BEGINNING**.

EXCEPTING THEREFORM all those certain parcels as described in those certain grant of easement deeds recorded _____, 2026 as follows:

Parcel 158 as Instrument No. 2026_____,
Parcel 159 as Instrument No. 2026_____,
Parcel 163 as Instrument No. 2026_____,
Parcel 164 as Instrument No. 2026_____,
Parcel 165 as Instrument No. 2026_____,
Parcel 169 as Instrument No. 2026_____,
Parcel 170 as Instrument No. 2026_____,

all of Official Records in the Office of the County Recorder of said county.

CONTAINING: 13.343 net acres, more or less.

SUBJECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

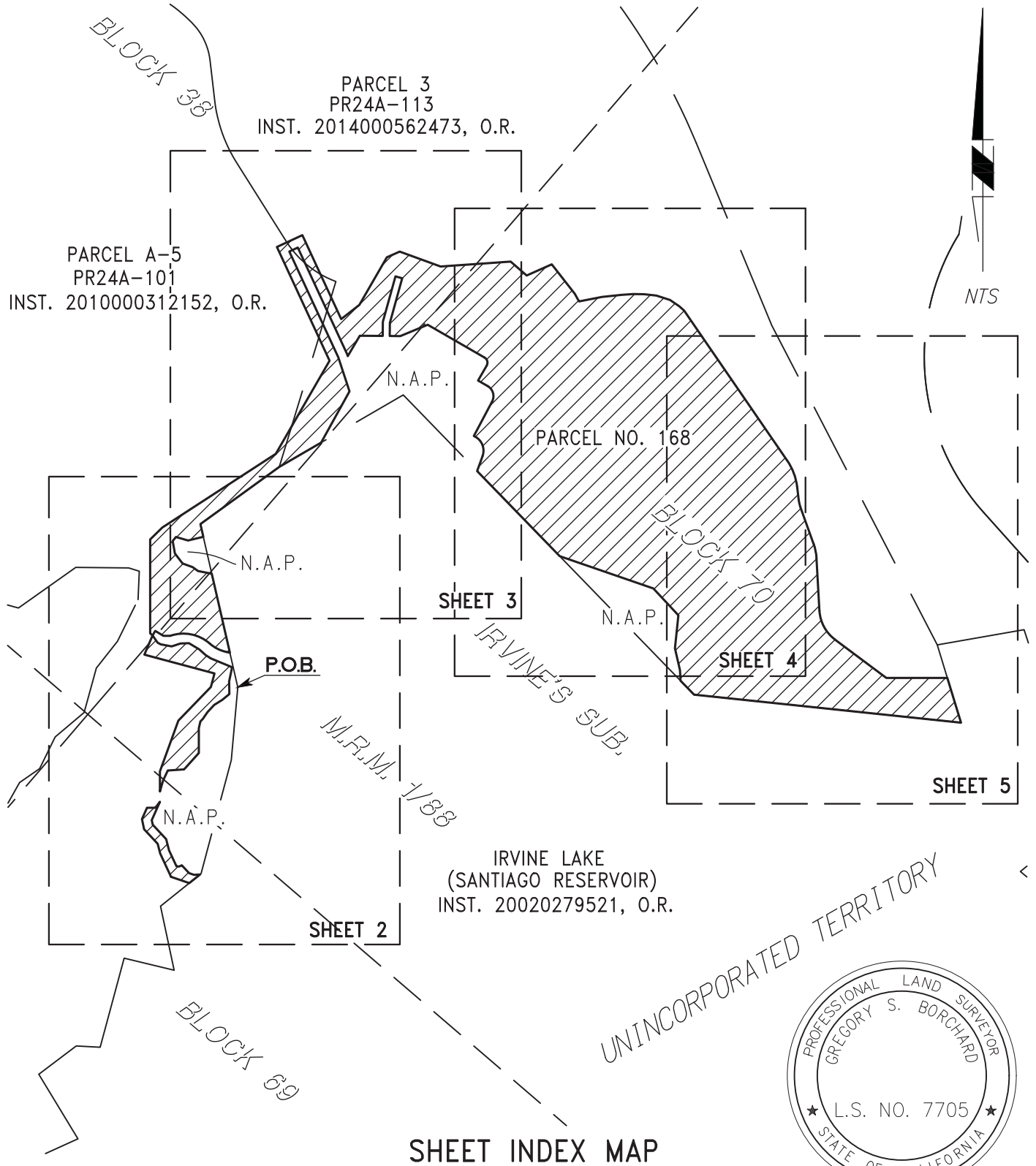
EXHIBIT “B” attached hereto and by this reference made a part hereof.

Prepared by me or under my direction:

Dated: June 4, 2026



Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026



PROFESSIONAL LAND SURVEYOR
GREGORY S. BORCHARD
L.S. NO. 7705
STATE OF CALIFORNIA

EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 168
TEMPORARY CONSTRUCTION EASEMENT (TCE)

NET TCE AREA = 13.343 AC.±

SHEET 1 OF 6 SHEETS

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

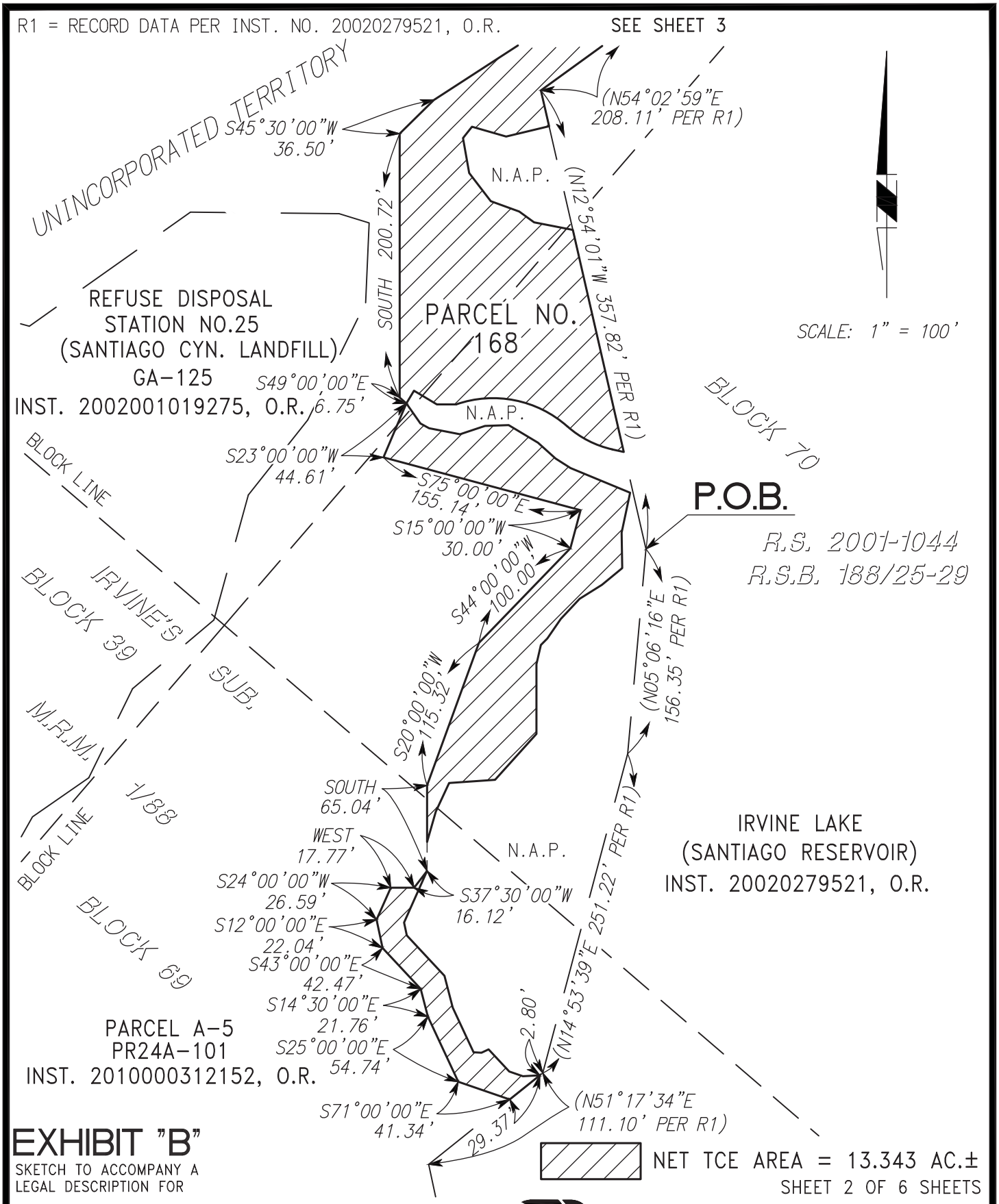


EXHIBIT "B"

SKETCH TO ACCOMPANY A LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 168
TEMPORARY CONSTRUCTION EASEMENT (TCE)

SHEET 2 OF 6 SHEETS

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

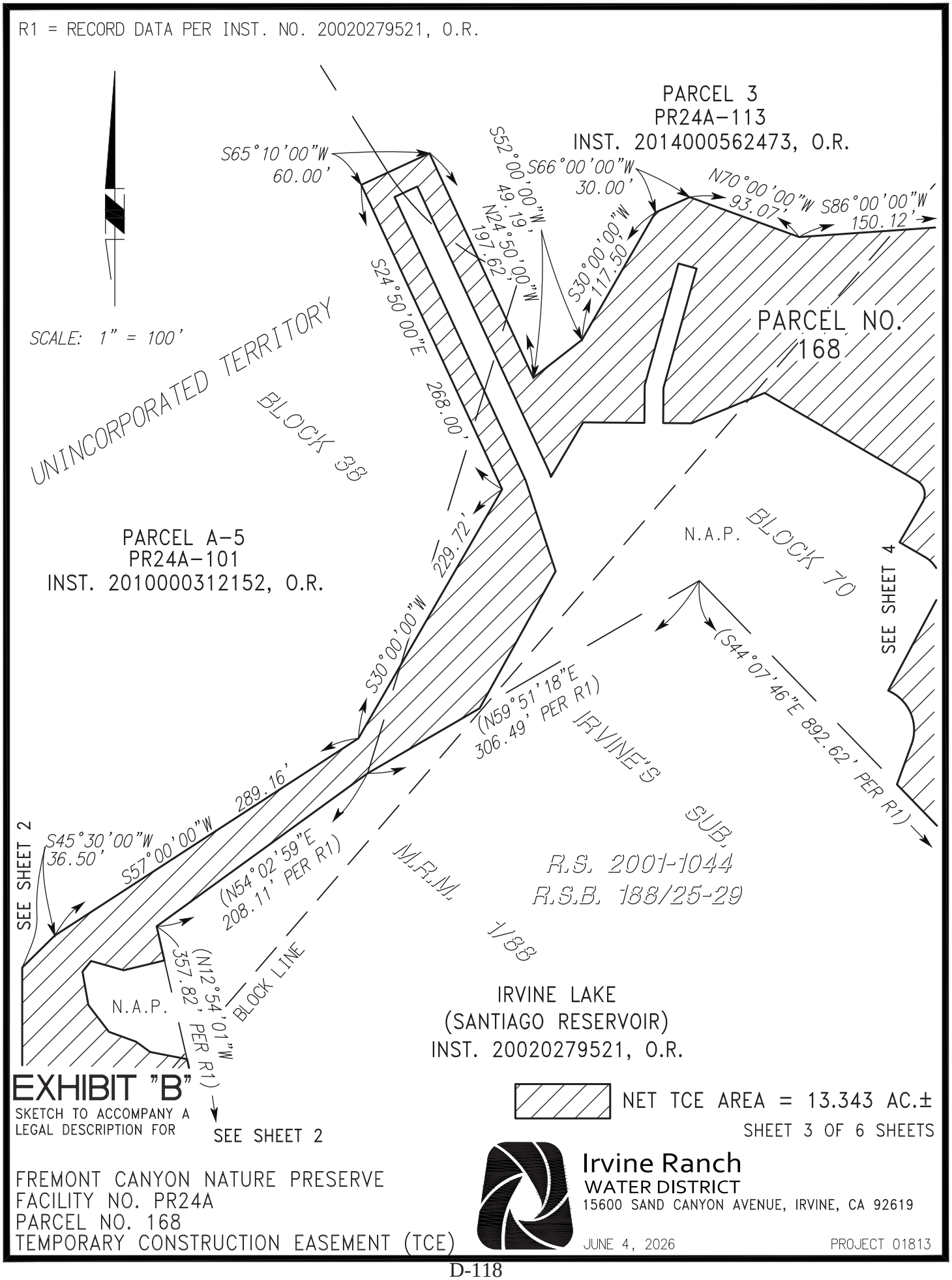


EXHIBIT "B"

SKETCH TO ACCOMPANY A LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 168
TEMPORARY CONSTRUCTION EASEMENT (TCE)

SHEET 3 OF 6 SHEETS

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026 PROJECT 01813

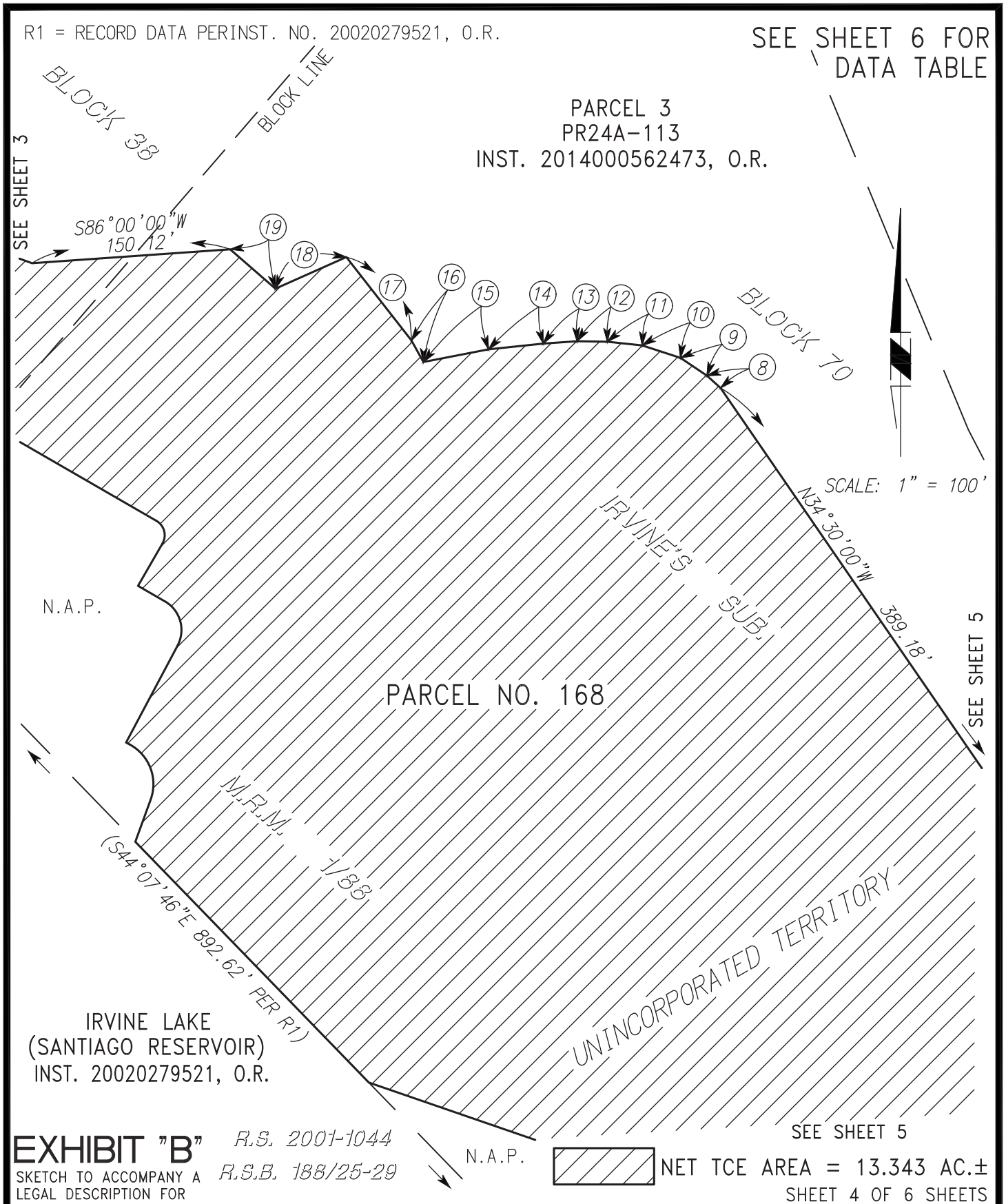


EXHIBIT "B"

SKETCH TO ACCOMPANY A LEGAL DESCRIPTION FOR

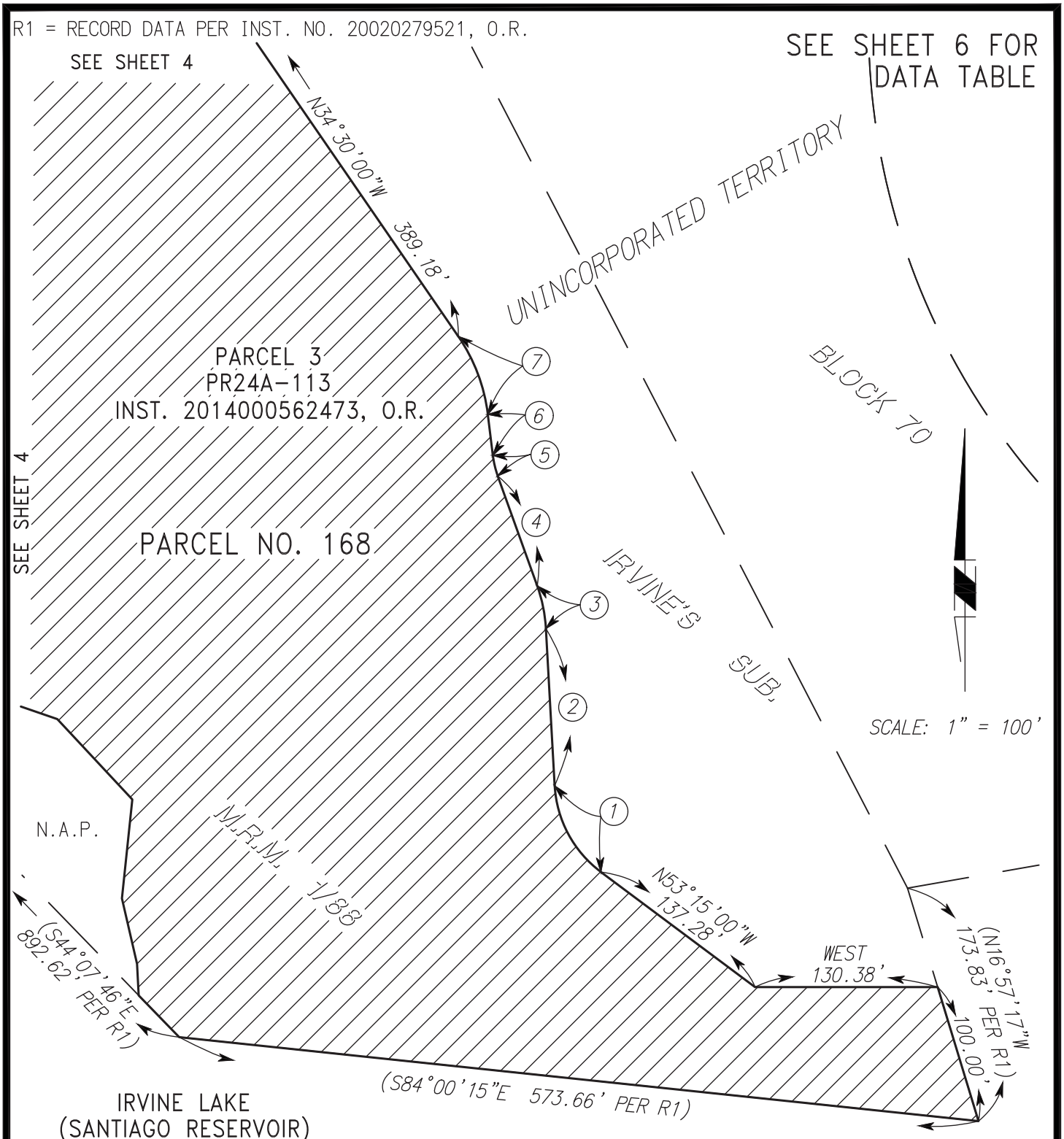
R.S. 2001-1044
R.S.B. 188/25-29

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 168
TEMPORARY CONSTRUCTION EASEMENT (TCE)

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813



R.S. 2001-1044

R.S.B. 188/25-29

EXHIBIT "B"

SKETCH TO ACCOMPANY A LEGAL DESCRIPTION FOR

NET TCE AREA = 13.343 AC.±

SHEET 5 OF 6 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 168
TEMPORARY CONSTRUCTION EASEMENT (TCE)

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

DATA TABLE

1	Δ=50°04'00"	R=82.50'	L=72.09'
2	N03°11'00"W	112.46'	
3	Δ=16°35'00"	R=107.50'	L=31.11'
4	N19°46'00"W	83.49'	
5	Δ=12°49'00"	R=67.50'	L=15.10'
6	N06°57'00"W	29.42'	
7	Δ=27°33'00"	R=125.00'	L=60.10'
8	N48°00'00"W	13.88'	
9	N56°00'00"W	24.10'	
10	N72°00'00"W	30.46'	
11	N84°00'00"W	26.49'	
12	N89°00'00"W	22.87'	
13	S86°00'00"W	25.61'	
14	S84°00'00"W	41.61'	
15	S79°00'00"W	50.17'	
16	N29°00'00"W	18.57'	
17	N38°00'00"W	80.00'	
18	S66°00'00"W	58.70'	
19	N49°00'00"W	45.32'	

EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 6 OF 6 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 168
TEMPORARY CONSTRUCTION EASEMENT (TCE)

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

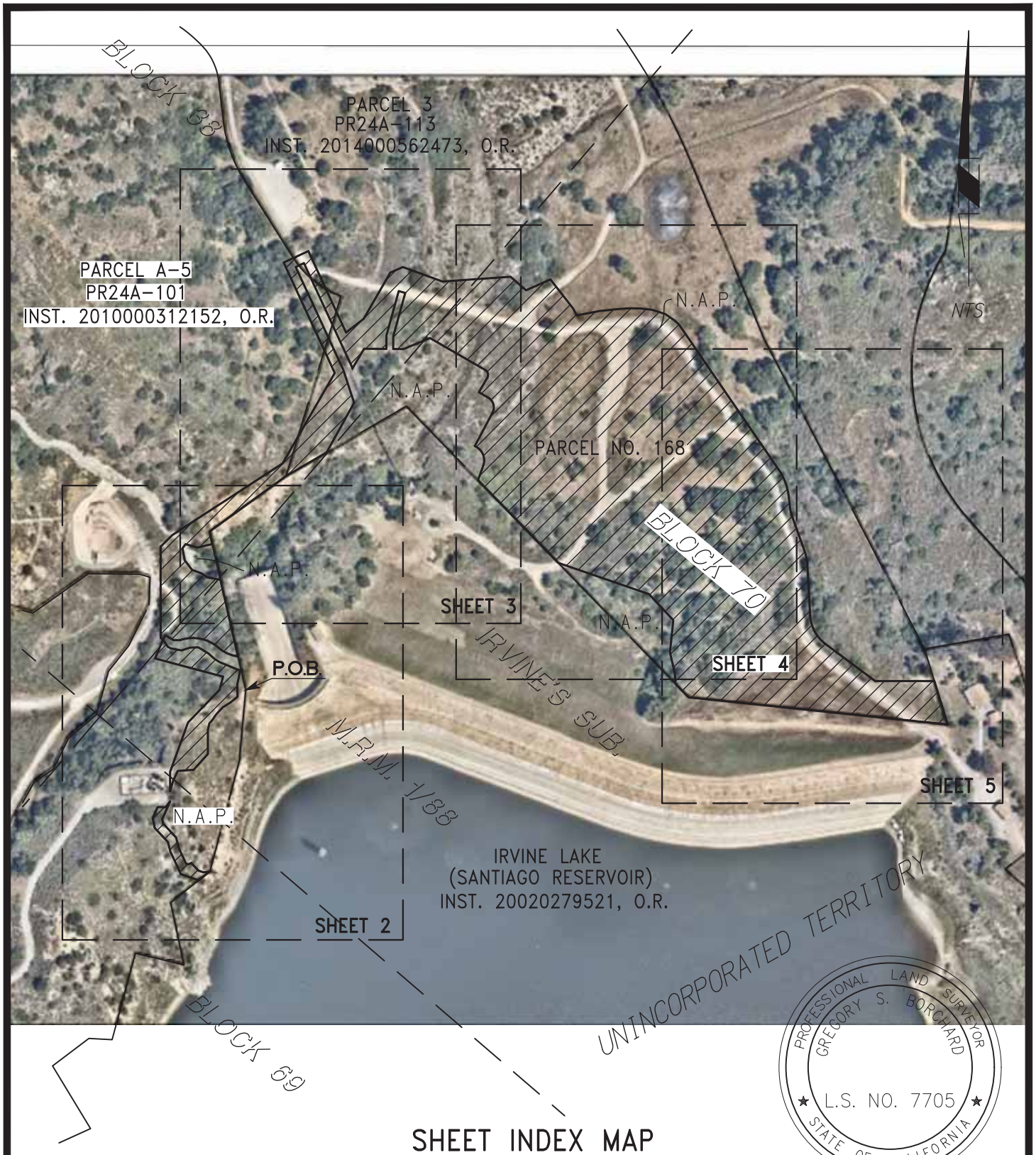
PROJECT 01813

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Temporary Construction Easement Agreement (Santiago Reservoir Dam/Spillway Improvements) to the IRVINE RANCH WATER DISTRICT, a political subdivision of the State of California, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution No. _____ of the Board of Directors, adopted on _____, and the grantee consents to recordation thereof by its duly authorized officer.

IRVINE RANCH WATER DISTRICT

Dated: _____ By: _____



SHEET INDEX MAP

EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

NET TCE AREA = 13.343 AC.±

SHEET 1 OF 6 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 168
TEMPORARY CONSTRUCTION EASEMENT (TCE)

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

2.4G TEMP. CONSTRUCTION AND ACCESS EASEMENT



EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 2 OF 6 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 168
TEMPORARY CONSTRUCTION EASEMENT (TCE)

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

2.4G TEMP. CONSTRUCTION AND ACCESS EASEMENT



EXHIBIT "B"

SKETCH TO ACCOMPANY A LEGAL DESCRIPTION FOR

SHEET 3 OF 6 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 168
TEMPORARY CONSTRUCTION EASEMENT (TCE)

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026 PROJECT 01813

2.4G TEMP. CONSTRUCTION AND ACCESS EASEMENT



EXHIBIT "B"

SKETCH TO ACCOMPANY A LEGAL DESCRIPTION FOR

R.S. 2001-1044

R.S.B. 188/25-29

N.A.P.

SEE SHEET 5

NET TCE AREA = 13.343 AC.±

SHEET 4 OF 6 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 168
TEMPORARY CONSTRUCTION EASEMENT (TCE)

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

2.4G TEMP. CONSTRUCTION AND ACCESS EASEMENT



R.S. 2001-1044

R.S.B. 188/25-29

EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

NET TCE AREA = 13.343 AC.±

SHEET 5 OF 6 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 168
TEMPORARY CONSTRUCTION EASEMENT (TCE)

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

2.4G TEMP. CONSTRUCTION AND ACCESS EASEMENT

RECORDED REQUESTED BY AND WHEN RECORDED, RETURN TO:

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618
Attn: General Manager

WITH A CONFORMED COPY TO:

County of Orange
c/o County Executive Office, Real Estate Services
400 W. Civic Center Drive, 5th floor
Santa Ana, CA 92701

Assessor's Parcel No. 105-361-02, 105-361-39 (Space above line for Recorder's use only)

Exempt from Filing Fees per Gov. Code §§ 6103 and 27383 Exempt from Documentary Transfer Tax per Revenue and Taxation Code §11922

EASEMENT AGREEMENT
(Vehicular Access to Inlet/Outlet Structure - Facility PR24A, Parcel No. 158)

This Easement Agreement ("**Easement Agreement**") is effective as of the date of its recordation in the Official Records of Orange County, California ("**Effective Date**") and is between the COUNTY OF ORANGE ("**County**"), a political subdivision of the State of California, IRVINE RANCH WATER DISTRICT ("**IRWD**" or the "**District**"), a California Water District organized under and existing pursuant to Section 34000 et seq. of the California Water Code**.** Together IRWD and the County are the "**Parties**."

A. IRWD owns fee title to a dam and reservoir facility commonly known as "Irvine Lake" or the "Santiago Reservoir" (the "**Reservoir Property**" or "**Reservoir**"). The County owns and maintains a closed landfill known as Santiago Canyon Landfill (**"Landfill**") on real property adjacent to the Reservoir ("**County's Property**"). The County's Property includes roadways within the Landfill.

B. The District is planning a dam improvement project at the Reservoir that largely consists of replacing the existing spillway structure and outlet tower with a new spillway structure and inclined outlet structure and other related site improvements (the "**Project**"). The Parties intend by this Easement Agreement to provide for the District's vehicular access east of Orange County Waste and Recycling's (OCWR) Gas Recovery Facility and along Irvine Lake to the District's property for purposes of accessing Santiago Creek Dam inclined inlet/outlet facility.

The Parties therefore agree as follows:

1. Grant of Easement. County hereby grants to IRWD, its invitees, employees, agents, and contractors a non-exclusive vehicular access easement (the "**Easement**") in, on, over, through, along, and across the portion of the County's Property, more particularly described on

Exhibit A and depicted on Exhibit B (the "**Easement Area**") for the purposes of vehicular access to the Santiago Creek Dam inclined inlet/outlet facility. The Easement shall include the District's right to construct and maintain a new vehicular roadway in the Easement Area.

2. Subject to Matters of Record or Apparent. In addition to the terms and conditions set forth in this Easement Agreement, the Easement conveyed to the District hereunder is subject to all easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record or apparent or of which the District has actual notice.

3. Non-Exclusive Rights. The District's use of the Easement Area will be non-exclusive, and County retains the rights to use and to grant to others the non-exclusive right to use the property burdened by the Easement for any and all lawful purposes, to the extent such uses, or any of them, do not unreasonably interfere with the exercise by the District of the Easement granted hereunder.

4. Appurtenant to the Reservoir. The Easement is appurtenant to the Reservoir Property, which will be the dominant tenement and the County's Property is the servient tenement.

5. Maintenance of Roadway. The District shall be responsible for maintaining the vehicular access road constructed in the Easement Area.

6. Compliance with Law. The District will be responsible for complying with all laws, ordinances, and regulations with respect to its use of the Easement.

7. Damage and Repairs.

a. If the District damages any portion of the Easement Area or any other property of County during its use of the Easement Area, the District shall, at its sole cost and expense, promptly repair and restore the same to the condition that existed prior to the damage; provided, however, that prior to any such repair, the District shall, within forty-five (45) days of the damage, review their planned repair with County to confirm that such repair will be done to the reasonable specifications of County. The District shall not cause any liens of any kind to be filed against the Easement Area or any other portion of County's Property as a result of such repair activities.

8. Failure to Perform. To the extent that the repair of any District damage is not completed by the District within forty-five (45) business days of the District's receipt of County's approval of the District's proposed repair as described in Section 7 above (or if such damage is not capable of repair within such period, if the District has not commenced such repair within such period and diligently thereafter completed such repairs), then County may perform such repair and the cost thereof shall be paid by the District within sixty (60) days of its receipt of County's invoice and backup documentation substantiating the work performed.

9. Indemnity.

a. The District shall indemnify, defend, and hold the County and any other person or entity controlling, controlled by or under common control with the County, and

each of their elected officials, officers, directors, employees, representatives, agents, successors and assigns (collectively, the "**County Indemnitees**") harmless from and against any and all claims, obligations, damages, liabilities, costs, and expenses (including but not limited to attorneys' fees and costs), whether made against or incurred by County or any other Indemnitee (collectively, "**Claims**"), arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the Easement Area by the District, its officers, directors, employees, invitees, contractors, and agents, and the respective employees thereof; and/or (b) breach of any of the terms of this Easement Agreement by the District; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the negligence or intentional misconduct of the County Indemnitees or any of them. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein.

b. County shall defend, indemnify, protect and hold harmless the District and all of its elected and appointed officials, directors, officers, employees, agents, representatives, successors and assigns (collectively, the "**District's Indemnitees**") from all Claims arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the Easement Area by County, its officers, directors, employees, invitees (including the general public), contractors, and agents, and the respective employees thereof; or (b) County's construction or maintenance of improvements within the Easement Area; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the negligence or intentional misconduct of the District's Indemnitees or any of them. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein.

c. The District's and County Indemnitees' obligations under this Section shall survive until lapse of the applicable statutory period for limitation of actions, irrespective of whether the easement rights set forth herein have expired or been terminated.

10. Controlling Law. This Easement Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

11. Attorneys' Fees. In any proceeding between the parties seeking enforcement of or attempting to construe any of the terms and provisions of this Easement Agreement, including, without limitation, any litigation seeking legal, declaratory or other relief, each Party shall bear its own costs, including but not limited to attorneys' fees and costs.

12. Notices. Any notice, demand or other communication to be given by either party to the other hereunder shall be given by personal service, Federal Express or other reputable overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the parties at their respective addresses as follows:

IF TO DISTRICT:	Irvine Ranch Water District 15600 Sand Canyon Avenue P.O. Box 57000 Irvine, CA 92619-7000 Attention: General Manager
IF TO COUNTY:	OC Parks 13042 Old Myford Road Irvine, CA 92602 Attn: Director, OC Parks OC Waste & Recycling 601 N. Ross St., 5th Floor Santa Ana, CA 92701 Attention: Director, OC Waste & Recycling With a copy to: County Executive Office, Real Estate Services 400 West Civic Center Dr., 5th Floor Santa Ana, CA 92701 Attention: Chief Real Estate Officer

Any such notice shall be deemed to have been given upon delivery or, if mailed, forty-eight (48) hours after deposit in the mail as aforesaid. Either party may change the address where it desires to receive notice upon giving written notice of such request to the other party.

13. Construction. Headings at the beginning of any section of this Easement Agreement are solely for the convenience of the parties and are not a part of this Easement Agreement. This Easement Agreement shall not be construed as if it has been prepared by either party, but rather as if both parties have prepared the same.

14. Waiver; Remedies. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

15. Successors. Any assignment of the rights conferred upon the District may only be assigned with the permission of County, whose permission shall not be unreasonably withheld. Assignment of the District's rights to another public entity shall be deemed acceptable to County. The provisions of this Easement Agreement shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns.

16. No Third Party Beneficiaries. No person or entity other than the parties to this Easement Agreement shall be deemed to be a third party beneficiary hereof, and nothing in this Easement Agreement, either express or implied, is intended to confer upon any person or entity, other than the parties to this Easement Agreement (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Easement Agreement.

17. Entire Agreement. This Easement Agreement, including the exhibits attached hereto which are incorporated herein by this reference, contains the entire agreement between the parties relating to the rights granted herein and the obligations herein assumed, subject to that certain unrecorded instrument between the Parties known as the *Easement and Reimbursement Agreement (Santiago Creek Dam Improvement Project)* entered into on _____, 2026, and any amendments related thereto. Any oral representations or modifications concerning this document shall be of no force or effect except a subsequent modification in writing, signed by the party to be charged.

[Signatures appear on following page.]

The Parties have executed this Easement Agreement as of the date indicated below.

Date: _____

COUNTY OF ORANGE

APPROVED AS TO FORM:

By: _____
Michael A. Haubert
Deputy County Counsel

By: _____
Thomas A. Miller
Chief Real Estate Officer

IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

By: _____
Claire H. Collins
General Counsel

By: _____
Paul A. Cook
General Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

EXHIBIT "A"

LEGAL DESCRIPTION

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 159

That certain parcel of land situated in the unincorporated territory of the County of Orange, State of California being those portions of Blocks 69 and 70 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within Parcel A-5 (PR24A-101) as described in that certain Gift Deed recorded July 1, 2010 as Instrument No. 2010000312152 of Official Records, both in the Office of the County Recorder of said County being further described as follows:

COMMENCING at the northerly terminus of that certain course in the general westerly line of Irvine Lake (also known as Santiago Reservoir) described as having a bearing and distance of North 05°06'16" East 156.35 feet in that certain Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records in said Office of the County Recorder; thence along said course South 05°06'16" West 48.50 feet to the **TRUE POINT OF BEGINNING**;

Thence continuing along said general westerly line South 05°06'16" West 107.85 feet;

Thence continuing along said general westerly line South 14°53'39" West 224.05 feet;

Thence leaving said line South 87°15'00" West 18.26 feet;

Thence North 02°45'00" West 25.35 feet to the beginning of a tangent curve concave easterly and having a radius of 50.00 feet;

Thence northerly along said curve through a central angle of 16°15'00" an arc distance of 14.18 feet;

Thence tangent to said curve North 13°30'00" East 36.50 feet to the beginning of a tangent curve concave southeasterly and having a radius of 30.00 feet;

Thence northerly along said curve through a central angle on 35°17'38" an arc distance of 18.48 feet to the beginning of a reverse curve concave northwesterly, having a radius of 60.00 feet, a radial line of said curve from said beginning bears North 41°12'22" West;

Thence northerly along said curve through a central angle of 32°17'38" an arc distance of 33.82 feet;

Thence tangent from said curve North 16°30'00" East 83.52 feet to the beginning of a tangent curve concave westerly and having a radius of 68.00 feet;

Thence northerly along said curve through a central angle of 32°30’30” an arc distance of 38.57 feet;

Thence tangent from said curve North 16°00’00” West 7.34 feet to the beginning of a tangent curve concave easterly and having a radius of 73.50 feet;

Thence northerly and northeasterly along said curve through a central angle of 61°00’00” an arc distance of 78.25 feet;

Thence tangent to said curve North 45°00’00” East 12.50 feet to the **TRUE POINT OF BEGINNING**.

CONTAINING: 0.139 acres, more or less.

SUBJECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

EXHIBIT “B” attached hereto and by this reference made a part hereof.

Prepared by me or under my direction:

Dated: June 4, 2026



Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026

R1 = RECORD DATA PER INST. NO. 20020279521, O.R.

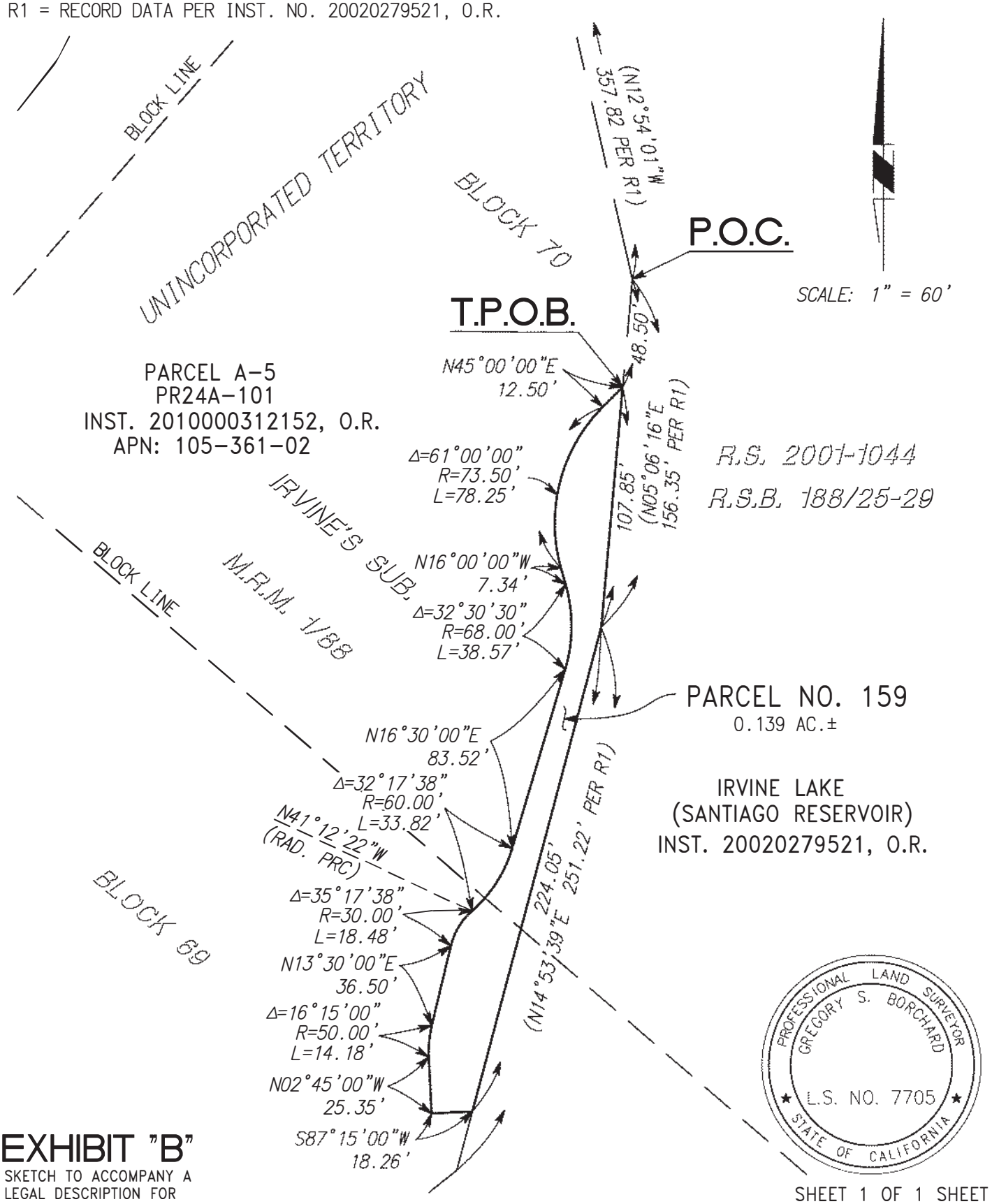


EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 159
VEHICULAR ACCESS EASEMENT

SHEET 1 OF 1 SHEET

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026 PROJECT 01813

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Easement Agreement (Vehicular Access to Inlet/Outlet Structure) to the IRVINE RANCH WATER DISTRICT, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution No. _____ of the Board of Directors, adopted on _____, and the grantee consents to recordation thereof by its duly authorized officer.

IRVINE RANCH WATER DISTRICT

Dated: _____ By: _____



EXHIBIT "B"

SKETCH TO ACCOMPANY A LEGAL DESCRIPTION FOR

SHEET 1 OF 1 SHEET

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 159
VEHICULAR ACCESS EASEMENT

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026 PROJECT 01813

2.4H VEHICULAR ACCESS EASEMENT TO INLET/OUTLET

RECORDED REQUESTED BY AND WHEN RECORDED, RETURN TO:

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618
Attn: General Manager

WITH A CONFORMED COPY TO:

County of Orange
c/o County Executive Office, Real Estate Services
400 W. Civic Center Drive, 5th floor
Santa Ana, CA 92701

Assessor's Parcel No. 105-361-59 (Space above line for Recorder's use only)

Exempt from Filing Fees per Gov. Code §§ 6103 and 27383 Exempt from Documentary Transfer Tax per Revenue and Taxation Code §11922

EASEMENT AGREEMENT
(Embankment Easement - Facility PR24A, Parcel No. 169)

This Easement Agreement ("**Easement Agreement**") is effective as of the date of its recordation in the Official Records of Orange County, California ("**Effective Date**") and is between the COUNTY OF ORANGE ("**County**"), a political subdivision of the State of California, and IRVINE RANCH WATER DISTRICT ("**District**"), a California Water District organized under and existing pursuant to Section 34000 et seq. of the California Water Code. Together District and the County are the "**Parties**."

A. The District owns fee title to a dam and reservoir facility commonly known as "Irvine Lake" or the "Santiago Reservoir" (the "**Reservoir Property**" or "**Reservoir**"). The County owns and maintains a closed landfill known as Santiago Canyon Landfill (**"Landfill**") on real property adjacent to the Reservoir ("**County's Property**").

B. The District is planning a dam improvement project at the Reservoir that largely consists of replacing the existing spillway structure and outlet tower with a new spillway structure and inclined outlet structure and other related site improvements (the "**Project**"). The Parties intend by this Easement Agreement to provide for the District's installation of permanent embankment, slope and drainage facilities and other related purposes, as described and depicted in Exhibits A and B, respectively.

The Parties therefore agree as follows:

1. Grant of Easement. County hereby grants to the District, its invitees, employees, agents, and contractors a permanent, non-exclusive embankment and drainage easement along the northeastern edge of the new spillway structure and adjacent areas (the "**Easement**") in, on, over, under, through, along, and across the portion of the County's Property, more particularly described on Exhibit A and depicted on Exhibit B (the "**Easement Area**"). The Easement shall

include the right of the District, to use the Easement Area to access, maintain, operate, construct, reconstruct, and repair embankment facilities including, but not limited to, emergency discharge piping from the reservoir; erosion control measures, such as rip rap; concrete vault structures to support the piping and house the piping equipment; and slopes to integrate the improvements within the existing terrain, solely as reasonably necessary for the operation and stability of the spillway and associated facilities. All such facilities shall be limited to those initially installed and shall not be expanded, modified, or supplemented with additional or parallel facilities without the prior written approval of County. All construction and maintenance activities within the Easement Area shall be conducted in a manner that minimizes disturbance and shall include restoration of temporarily impacted areas to pre-project or better conditions, subject to County approval.

2. Subject to Matters of Record or Apparent. In addition to the terms and conditions set forth in this Easement Agreement, the Easement conveyed to the District hereunder is subject to all easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record or apparent or of which the District has actual notice, including, without limitation, any applicable Conservation Easements, and NCCP/HCP requirements and constraints affecting the Easement Area.

3. Non-Exclusive Rights. The District's use of the Easement Area will be non-exclusive, however, the Easement Area is an engineered slope embankment, therefore County shall not enter upon, use or grant to others the non-exclusive right to use the property burdened by the Easement, without the prior written consent of the District.

4. Appurtenant to the Reservoir. The Easement is appurtenant to the Reservoir Property, which will be the dominant tenement and the County's Property is the servient tenement.

5. Maintenance of Drainage and Embankment Improvements. IRWD shall be responsible for maintaining the slope, embankment improvements and drainage facilities installed for the Project.

6. Compliance with Law. The District will be responsible for complying with all laws, ordinances, and regulations with respect to its use of the Easement, including all applicable environmental laws, permit requirements, and regulatory obligations, and shall be solely responsible, at its sole cost and expense, for any mitigation, restoration, or compliance actions required as a result of its activities within the Easement Area.

7. Damage and Repairs.

a. If the District damages any portion of the Easement Area or any other property of County during its activities under this Easement Agreement, the District shall, at its sole cost and expense, promptly repair and restore the same to the condition or better that existed prior to the damage to the satisfaction of the County; provided, however, that prior to any such repair, the District shall, within forty-five (45) days of the damage, review its planned repair with County to confirm that such repair will be done to the reasonable specifications of County. In the event of any slope failure, erosion, drainage failure, or other emergency condition associated with the embankment or drainage facilities, the District shall immediately notify

County and take all necessary actions to stabilize, repair, and remediate any resulting damage. The District shall not cause any liens of any kind to be filed against the Easement Area or any other portion of County's Property as a result of such repair activities.

8. Failure to Perform. To the extent that the repair of any District's damage is not completed by the District within forty-five (45) business days of the District's receipt of County's approval of the District's' proposed repair as described in Section 7 above to the satisfaction of the County (or if such damage is not capable of repair within such period, if the District has not commenced such repair within such period and diligently thereafter completed such repairs), then County may perform such repair and the cost thereof shall be paid by the District within sixty (60) days of its receipt of County's invoice and backup documentation substantiating the work performed.

9. Indemnity.

a. The District shall indemnify, defend, and hold the County and any other person or entity controlling, controlled by or under common control with the County, and each of their elected officials, officers, directors, employees, representatives, agents, successors and assigns (collectively, the "**County Indemnitees**") harmless from and against any and all claims, obligations, damages, liabilities, costs, and expenses (including but not limited to attorneys' fees and costs), whether made against or incurred by County or any other Indemnitee (collectively, "**Claims**"), arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the Easement Area by the District, their officers, directors, employees, invitees, contractors, and agents, and the respective employees thereof; and/or (b) breach of any of the terms of this Easement Agreement by the District, including any Claims arising from slope failure, erosion, drainage failure, sedimentation, or other environmental impact, and any regulatory enforcement actions associated therewith; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the negligence or intentional misconduct of the County Indemnitees or any of them. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein.

b. County shall defend, indemnify, protect and hold harmless the District and all of its elected and appointed officials, directors, officers, employees, agents, representatives, successors and assigns (collectively, the "**District's Indemnitees**") from all Claims arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the Easement Area by County, its officers, directors, employees, invitees (including the general public), contractors, and agents, and the respective employees thereof; or (b) County's construction or maintenance of improvements within the Easement Area; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the negligence or intentional misconduct of the District's Indemnitees or any of them. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein.

c. The District's and County Indemnitees' obligations under this Section shall survive until lapse of the applicable statutory period for limitation of actions, irrespective of whether the easement rights set forth herein have expired or been terminated.

10. Controlling Law. This Easement Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

11. Attorneys' Fees. In any proceeding between the parties seeking enforcement of or attempting to construe any of the terms and provisions of this Easement Agreement, including, without limitation, any litigation seeking legal, declaratory or other relief, each Party shall bear its own costs, including but not limited to attorneys' fees and costs.

12. Notices. Any notice, demand or other communication to be given by either party to the other hereunder shall be given by personal service, Federal Express or other reputable overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the parties at their respective addresses as follows:

IF TO DISTRICT:
Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

IF TO COUNTY:
OC Parks
13042 Old Myford Road
Irvine, CA 92602
Attn: Director, OC Parks

With a copy to:

County Executive Office, Real Estate Services
400 West Civic Center Dr., 5th Floor
Santa Ana, CA 92701
Attention: Chief Real Estate Officer

Any such notice shall be deemed to have been given upon delivery or, if mailed, forty-eight (48) hours after deposit in the mail as aforesaid. Either party may change the address where it desires to receive notice upon giving written notice of such request to the other party.

13. Construction. Headings at the beginning of any section of this Easement Agreement are solely for the convenience of the parties and are not a part of this Easement Agreement. This Easement Agreement shall not be construed as if it has been prepared by either party, but rather as if both parties have prepared the same.

14. Waiver; Remedies. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right,

power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

15. Successors. Any assignment of the rights conferred upon the District may only be assigned with the permission of County, whose permission shall not be unreasonably withheld. Assignment of the Districts' rights to another public entity shall be deemed acceptable to County. The provisions of this Easement Agreement shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns.

16. No Third Party Beneficiaries. No person or entity other than the parties to this Easement Agreement shall be deemed to be a third party beneficiary hereof, and nothing in this Easement Agreement, either express or implied, is intended to confer upon any person or entity, other than the parties to this Easement Agreement (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Easement Agreement.

17. Entire Agreement. This Easement Agreement, including the exhibits attached hereto which are incorporated herein by this reference, contains the entire agreement between the parties relating to the rights granted herein and the obligations herein assumed, subject to that certain unrecorded instrument between the Parties known as the *Easement and Reimbursement Agreement (Santiago Creek Dam Improvement Project)* entered into on _____, 2026, and any amendments related thereto. Any oral representations or modifications concerning this document shall be of no force or effect except a subsequent modification in writing, signed by the party to be charged.

[Signatures appear on following page.]

The Parties have executed this Easement Agreement as of the date indicated below.

Date: _____

COUNTY OF ORANGE

APPROVED AS TO FORM:

By: _____
Michael A. Haubert
Deputy County Counsel
Office of the County Counsel
Orange County, California

By: _____
Name: Thomas A. Miller
Title: Chief Real Estate Officer
Minute Order dated _____

IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

By: _____
Claire H. Collins
General Counsel

By: _____
Paul A. Cook
General Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

EXHIBIT "A"

LEGAL DESCRIPTION

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 169

That certain parcel of land situated in the unincorporated territory of the County of Orange, State of California being that portion of Block 70 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within Parcel 3 (PR24A-113) as described in that certain Gift Deed recorded December 29, 2014 as Instrument No. 2014000562473 of Official Records, both in the Office of the County Recorder of said County being further described as follows:

COMMENCING at the northwesterly terminus of that certain course in the general northeasterly line of Irvine Lake (also known as Santiago Reservoir) described as having a bearing and distance of South 44°07'46" East 892.62 feet in that certain Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records in said Office of the County Recorder; thence along said course South 44°07'46" East 480.30 feet to the **TRUE POINT OF BEGINNING**;

Thence continuing along said general northeasterly line South 44°07'46" East 370.82 feet;

Thence leaving said last course North 03°00'00" West 22.50 feet;

Thence North 13°00'00 West 48.00 feet;

Thence North 06°00'00" East 71.00 feet;

Thence North 43°00'00" West 78.50 feet;

Thence North 71°00'00" West 211.63 feet to the **TRUE POINT OF BEGINNING**.

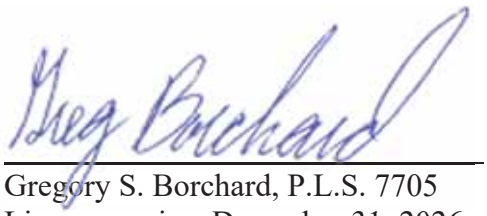
CONTAINING: 0.477 acres, more or less.

SUBJECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

EXHIBIT "B" attached hereto and by this reference made a part hereof.

Prepared by me or under my direction:

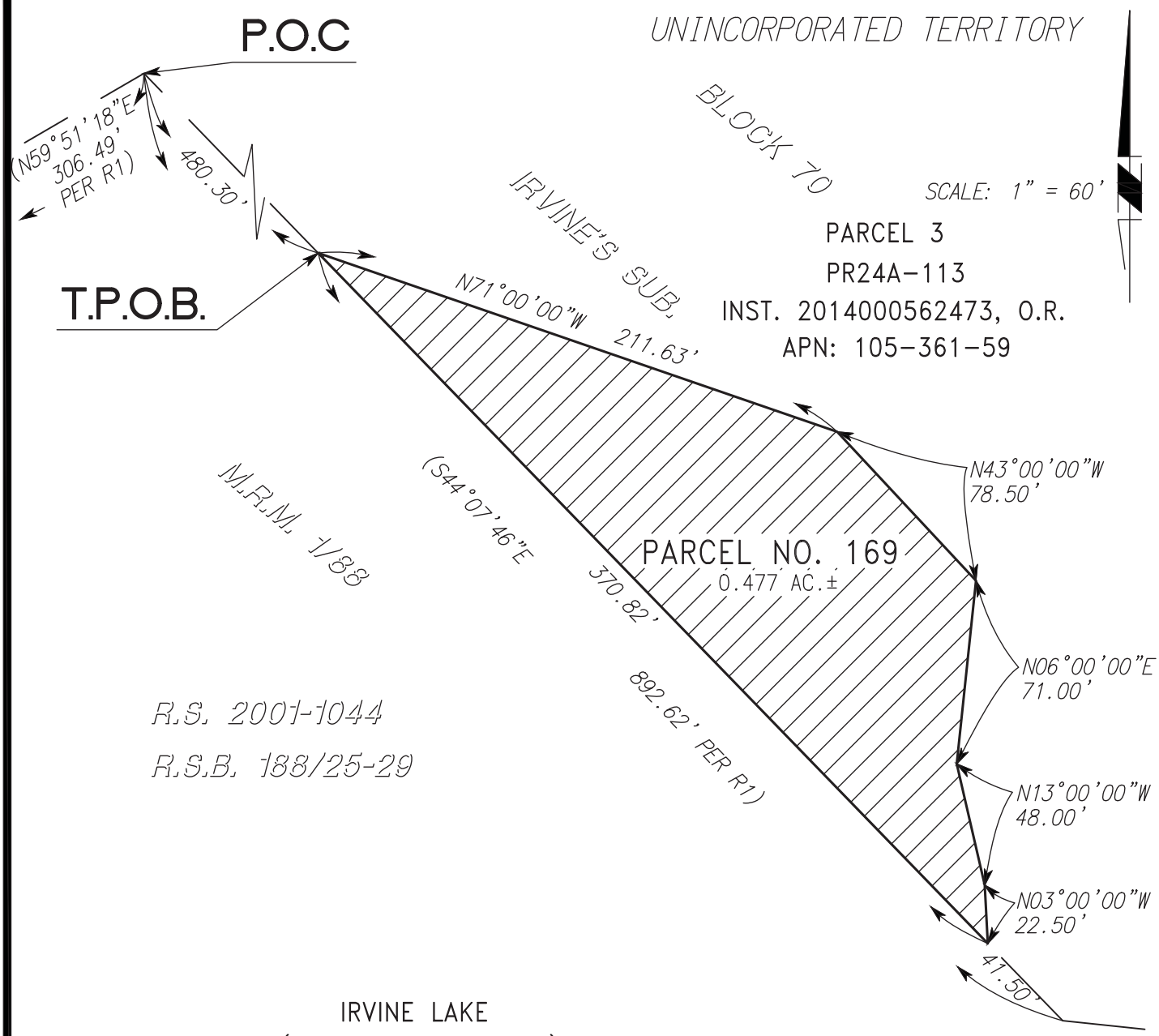
Dated: June 4, 2026



Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026



R1 = RECORD DATA PER INST. NO. 20020279521, O.R.



PROFESSIONAL LAND SURVEYOR
GREGORY S. BORCHARD
L.S. NO. 7705
STATE OF CALIFORNIA

EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 169
EMBANKMENT EASEMENT

SHEET 1 OF 1 SHEET

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026 PROJECT 01813

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Easement Agreement (Embankment Easement) to the IRVINE RANCH WATER DISTRICT, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution No. _____ of the Board of Directors, adopted on _____, and the grantee consents to recordation thereof by its duly authorized officer.

IRVINE RANCH WATER DISTRICT

Dated: _____ By: _____

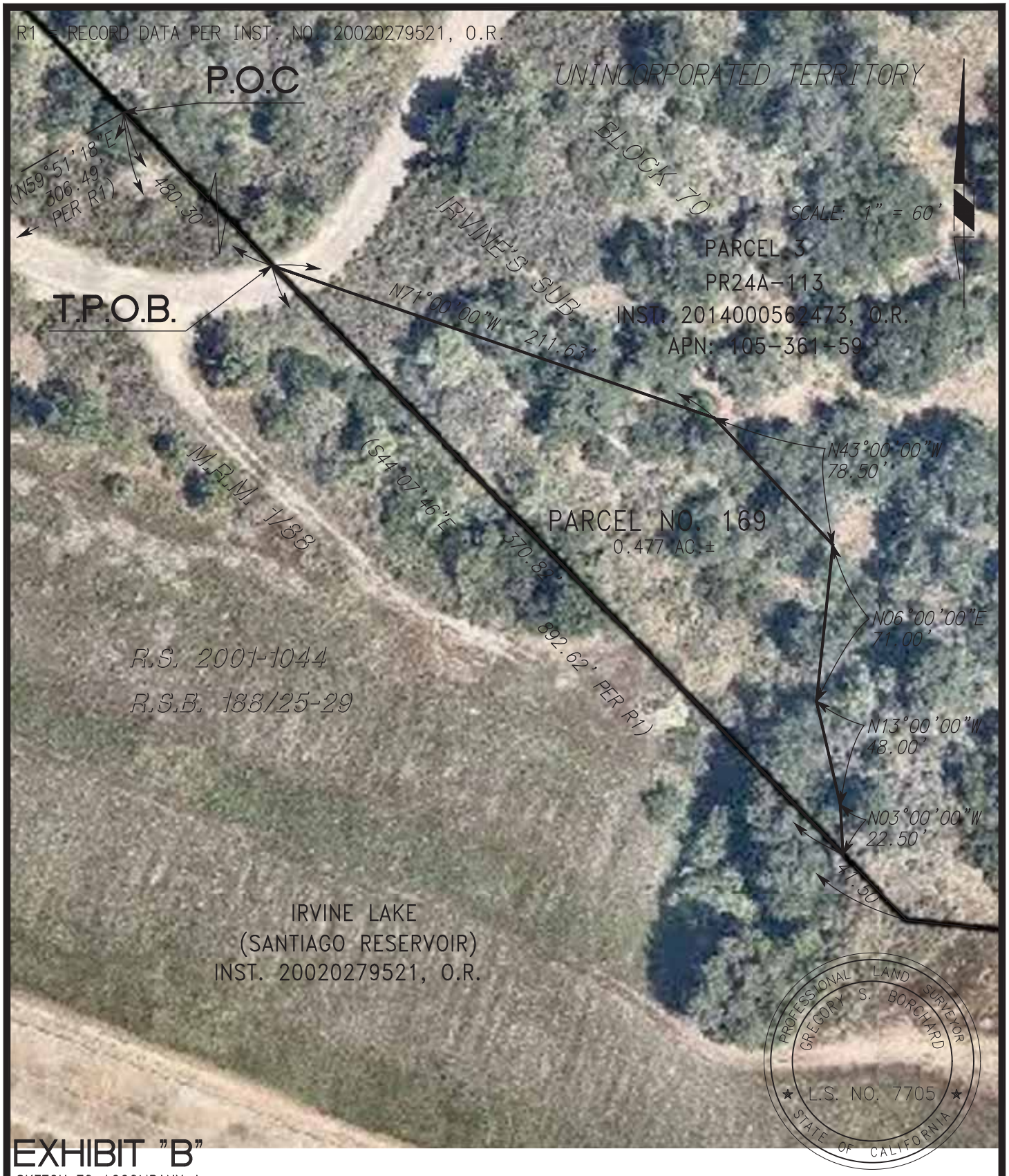


EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 1 OF 1 SHEET

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 169
EMBANKMENT EASEMENT

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 4, 2026

PROJECT 01813

2.4I EMBANKMENT EASEMENT

[INSERT 2J ELECTRICAL SCE EASEMENT COUNTY TO SCE]

RECORDING REQUESTED BY

SOUTHERN CALIFORNIA EDISON

An EDISON INTERNATIONAL Company

WHEN RECORDED MAIL TO

SOUTHERN CALIFORNIA EDISON COMPANY

3 INNOVATION WAY, 2nd FLOOR
POMONA, CA 91768

Attn: Title and Real Estate Services

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SCE Doc. No.

GRANT OF EASEMENT

DOCUMENTARY TRANSFER TAX $ NONE (VALUE AND CONSIDERATION LESS THAN $100.00)	DISTRICT	SERVICE ORDER	SERIAL NO.	MAP SIZE
	Santa Ana	TD2570758		
_____ SCE Company SIG. OF DECLARANT OR AGENT DETERMINING TAX FIRM NAME	FIM 049-022 APN 105-361-59, 61; 545-061-30; 545-071-18, 32, 33	APPROVED REAL PROPERTIES	BY SLS/JY	DATE 9/23/2026

COUNTY OF ORANGE, a political subdivision of the State of California (hereinafter referred to as "Grantor"), hereby grants to SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, its successors and assigns (hereinafter referred to as "Grantee"), an easement and right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time overhead electrical supply systems and communication systems (hereinafter referred to as "systems"), consisting of poles, guy wires and anchors, crossarms, wires and other appurtenant fixtures and/or equipment necessary or useful, for distributing electrical energy and for transmitting intelligence, data and/or communications (eg. through fiber optic cable), in, on, over, along and across that certain real property in the County of Orange, State of California, described as follows:

FOR LEGAL DESCRIPTION, SEE EXHIBITS "A" AND "B", BOTH ATTACHED HERETO AND MADE A PART HEREOF.

Grantor hereby also grants to Grantee, its successors and assigns, and its and their contractors, agents and employees, the right of free access to said systems and every part thereof, at all times, for the purpose of exercising the rights herein granted, and the right to clear and to keep clear the above described real property, free from explosives, buildings, equipment, brush, combustible material and any and all other obstructions of any kind, and the right to trim or remove any tree or shrub which, in the opinion of Grantee, may endanger said systems, or any part thereof, or interfere with the exercise of the rights herein granted.

EXECUTED this _____ day of _____, 20____.

GRANTOR

COUNTY OF ORANGE, a political subdivision of the State of California

Approved as to Form
Office of the County Counsel
Orange County, California

By: _____
Deputy

Date: _____

By: _____
Thomas A. Miller,
Chief Real Estate Officer
County Executive Office
Pursuant to Section 1-4-225 of the Codified Ordinances of the County of Orange

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXECUTED this _____ day of _____, 20___.

GRANTEE

SOUTHERN CALIFORNIA EDISON COMPANY,
a corporation

_____
Signature

_____
Print Name

_____
Title

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally

appeared_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "A"

LEGAL DESCRIPTION

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 167

That certain parcel of land situated in the unincorporated territory of the County of Orange, State of California being those portions of Blocks 38 and 70 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within Parcel A-5 (PR24A-101) as described in that certain Gift Deed recorded July 1, 2010 as Instrument No. 2010000312152 of Official Records, and Parcel 3 (PR24A-113) as described in that certain Gift Deed recorded December 29, 2014 as Instrument No. 2014000562473 of Official Records, all in the Office of the County Recorder of said County being those certain strips of land, 10.00 feet wide, the centerlines of which are described as follows:

Strip 1:

COMMENCING at the southwesterly terminus of that certain course in the general northwesterly line of Irvine Lake (also known as Santiago Reservoir) described as having a bearing and distance of North 54°02'59" East 208.11 feet in that certain Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records in said Office of the County Recorder; thence along said course North 54°02'59" East 53.88 feet to a point hereinafter referred to as **Point "A"** and the **TRUE POINT OF BEGINNING**;

Thence leaving said general northwesterly line North 27°12'30" East 519.28 feet to a point hereinafter referred to as **Point "B"**;

Thence South 77°56'30" East 440.75 feet to a point hereinafter referred to as **Point "C"**;

Thence South 41°50'30" East 220.00 feet to a point hereinafter referred to as **Point "D"**;

Thence continuing South 41°50'30" East 615.00 feet;

Thence South 71°30'00" East 320.00 feet to a point of terminus.

The sidelines of said strip shall be lengthened or shortened so as to terminate southwesterly in said general northwesterly line of Irvine Lake and southeasterly in a line perpendicular to said point of terminus.

Strip 2:

BEGINNING at said **Point "A"**, thence South 27°12'30" West 239.71 feet to a point of terminus.

EXCEPTING THEREFROM that portion lying within the boundary of Irvine Lake as described in said Grant Deed.

The sidelines of said strip shall be lengthened or shortened so as to terminate southerly in a line perpendicular to said point of terminus and northerly in the general westerly line of Irvine Lake.

Strip 3:

BEGINNING at said **Point "B"**; thence North 77°56'30" West 50.50 feet to a point hereinafter referred to as **Point "E"**;

Thene continuing North 77°56'30" West 20.00 feet to a point of terminus.

The sidelines of said strip shall be lengthened or shortened so as to terminate westerly in a line perpendicular to said point of terminus.

Strip 4:

BEGINNING at said **Point "C"**; thence South 77°56'30" East 25.00 feet to a point of terminus.

The sidelines of said strip shall be lengthened or shortened so as to terminate easterly in a line perpendicular to said point of terminus.

Strip 5:

BEGINNING at said **Point "C"**; thence North 00°16'00" East 25.00 feet to a point of terminus.

The sidelines of said strip shall be lengthened or shortened so as to terminate northerly in a line perpendicular to said point of terminus.

Strip 6:

BEGINNING at said **Point "D"**; thence South 11°30'00" West 25.00 feet to a point of terminus.

The sidelines of said strip shall be lengthened or shortened so as to terminate southerly in a line perpendicular to said point of terminus.

Strip 7:

A strip of land 15.00 feet wide lying 12.00 feet westerly and 3.00 feet easterly of the following described line:

COMMENCING at said **Point "D"**; thence North 5.00 feet to the **TRUE POINT OF** BEGINNING;

Thence continuing North 29.00 feet to a point of terminus.

The sidelines of said strip shall be lengthened or shortened so as to terminate northerly in a line perpendicular to said point of terminus and southerly in a line perpendicular to said true point of beginning.

Strip 8:

BEGINNING at said **Point "B"**; thence North 27°12'30" East 25.00 feet to a point of terminus.

The sidelines of said strip shall be lengthened or shortened so as to terminate northeasterly in a line perpendicular to said point of terminus.

Strip 9:

BEGINNING at said **Point "E"**; thence South 29°30'00" East 15.00 feet to a point of terminus.

The sidelines of said strip shall be lengthened or shortened so as to terminate southeasterly in a line perpendicular to said point of terminus.

CONTAINING: Collectively 0.564 acres, more or less.

SUBJECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

EXHIBIT "B" attached hereto and by this reference made a part hereof.

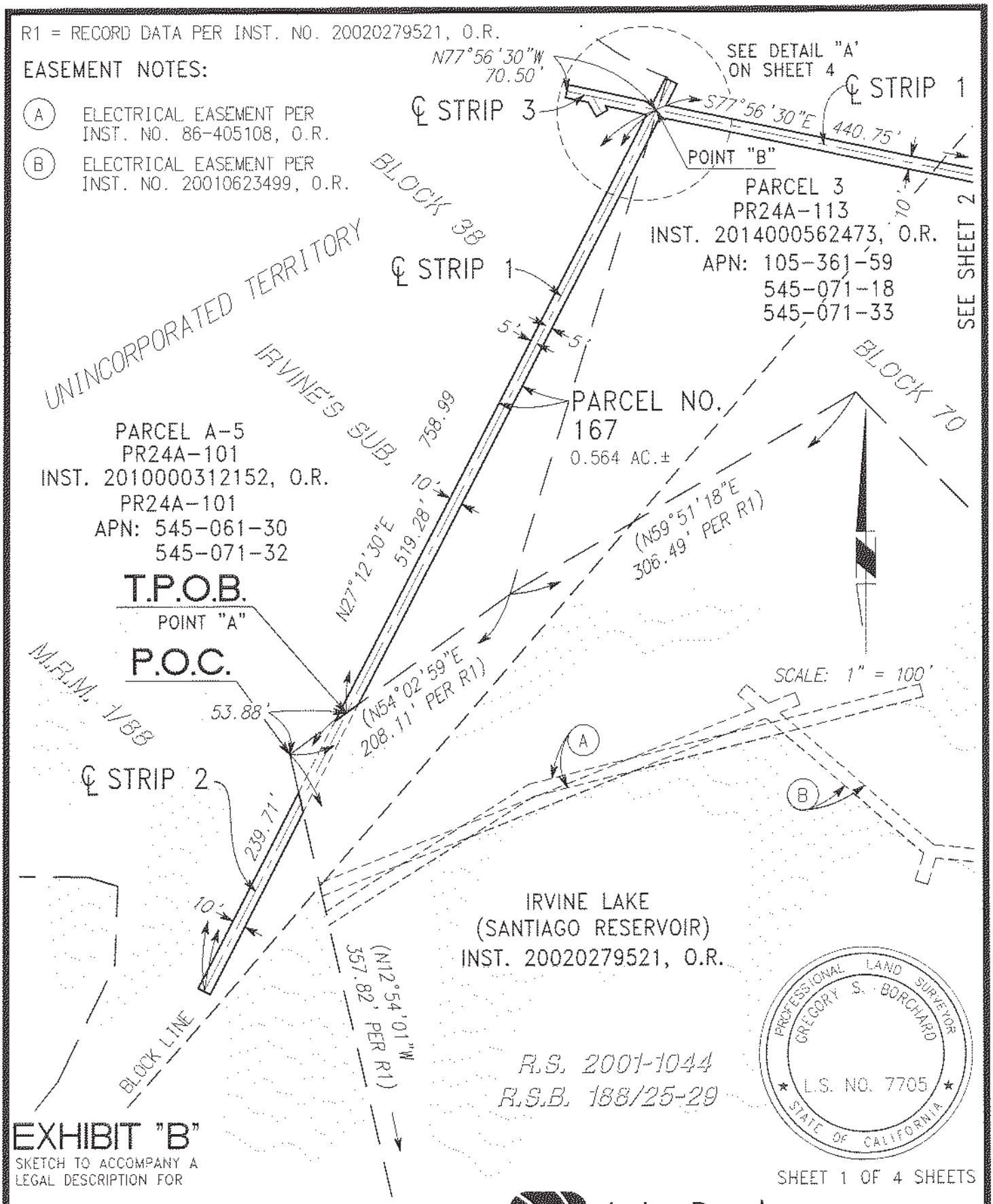
Prepared by me or under my direction:

Dated: August 25, 2026

Greg Borchard

Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026




R1 = RECORD DATA PER INST. NO. 20020279521, O.R.
EASEMENT NOTES:
(A) ELECTRICAL EASEMENT PER INST. NO. 86-405108, O.R.
(B) ELECTRICAL EASEMENT PER INST. NO. 20010623499, O.R.
N77°56'30"W 70.50'
SEE DETAIL "A" ON SHEET 4
℄ STRIP 3
℄ STRIP 1
S77°56'30"E
440.75'
POINT "B"
PARCEL 3
PR24A-113
INST. 2014000562473, O.R.
APN: 105-361-59
545-071-18
545-071-33
SEE SHEET 2
BLOCK 38
UNINCORPORATED TERRITORY
IRVINE'S SUB.
℄ STRIP 1
5'
5'
PARCEL NO. 167
0.564 AC.±
BLOCK 70
758.99
10'
N27°12'30"E
519.28'
PARCEL A-5
PR24A-101
INST. 2010000312152, O.R.
PR24A-101
APN: 545-061-30
545-071-32
(N59°51'18"E 306.49' PER R1)
T.P.O.B.
POINT "A"
P.O.C.
M.B.M. 1/88
53.88'
(N54°02'59"E 208.11' PER R1)
SCALE: 1" = 100'
℄ STRIP 2
239.71'
A
B
10'
IRVINE LAKE
(SANTIAGO RESERVOIR)
INST. 20020279521, O.R.
(N12°54'01"W 357.82' PER R1)
BLOCK LINE
R.S. 2001-1044
R.S.B. 188/25-29
PROFESSIONAL LAND SURVEYOR
GREGORY S. BORCHARD
L.S. NO. 7705
STATE OF CALIFORNIA
EXHIBIT "B"
SKETCH TO ACCOMPANY A LEGAL DESCRIPTION FOR
FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 167
ELECTRICAL EASEMENT TO SCE
SHEET 1 OF 4 SHEETS
Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619
AUGUST 25, 2026
PROJECT 01613

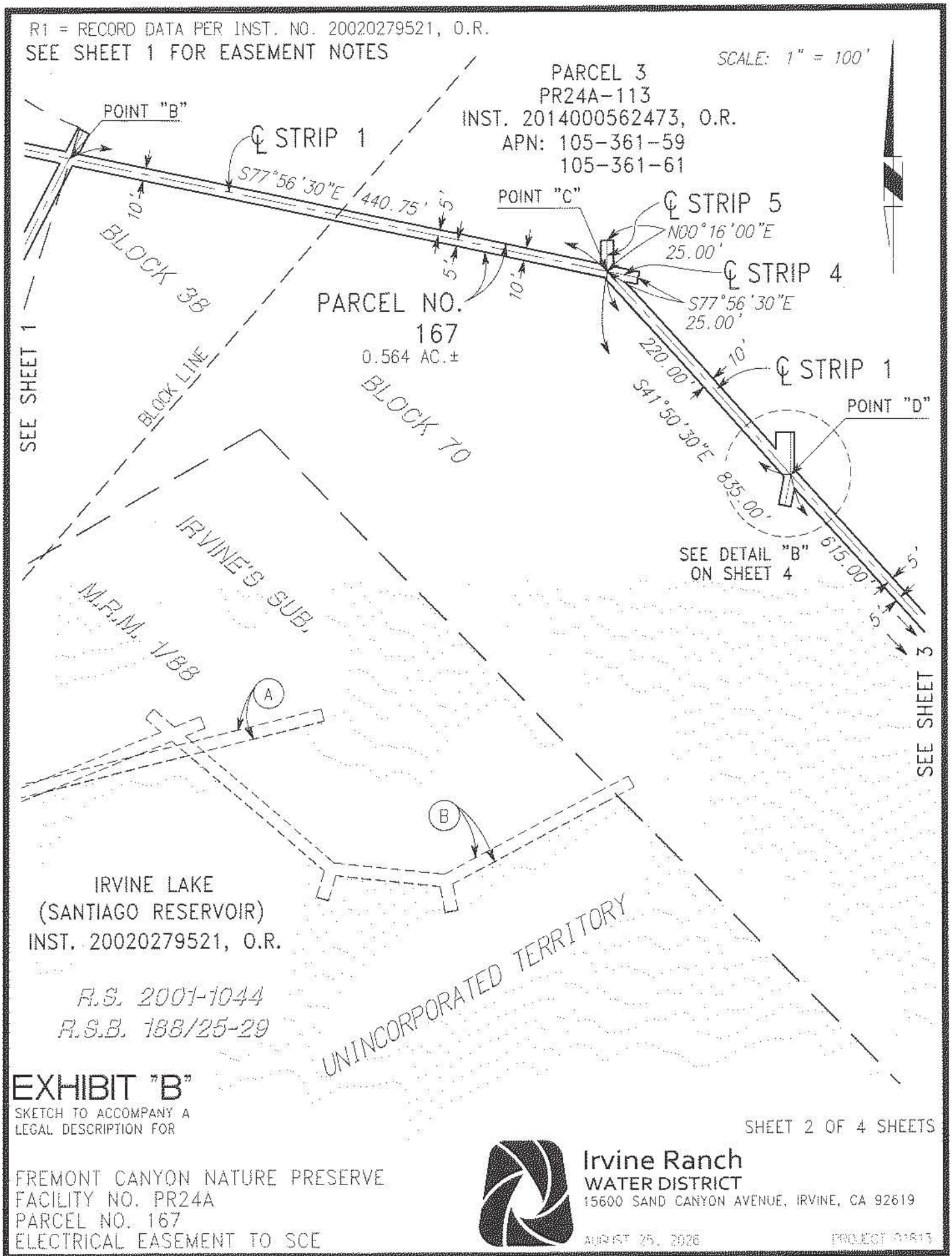


EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 167
ELECTRICAL EASEMENT TO SCE

SHEET 2 OF 4 SHEETS

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

AUGUST 25, 2026

PROJECT 21513

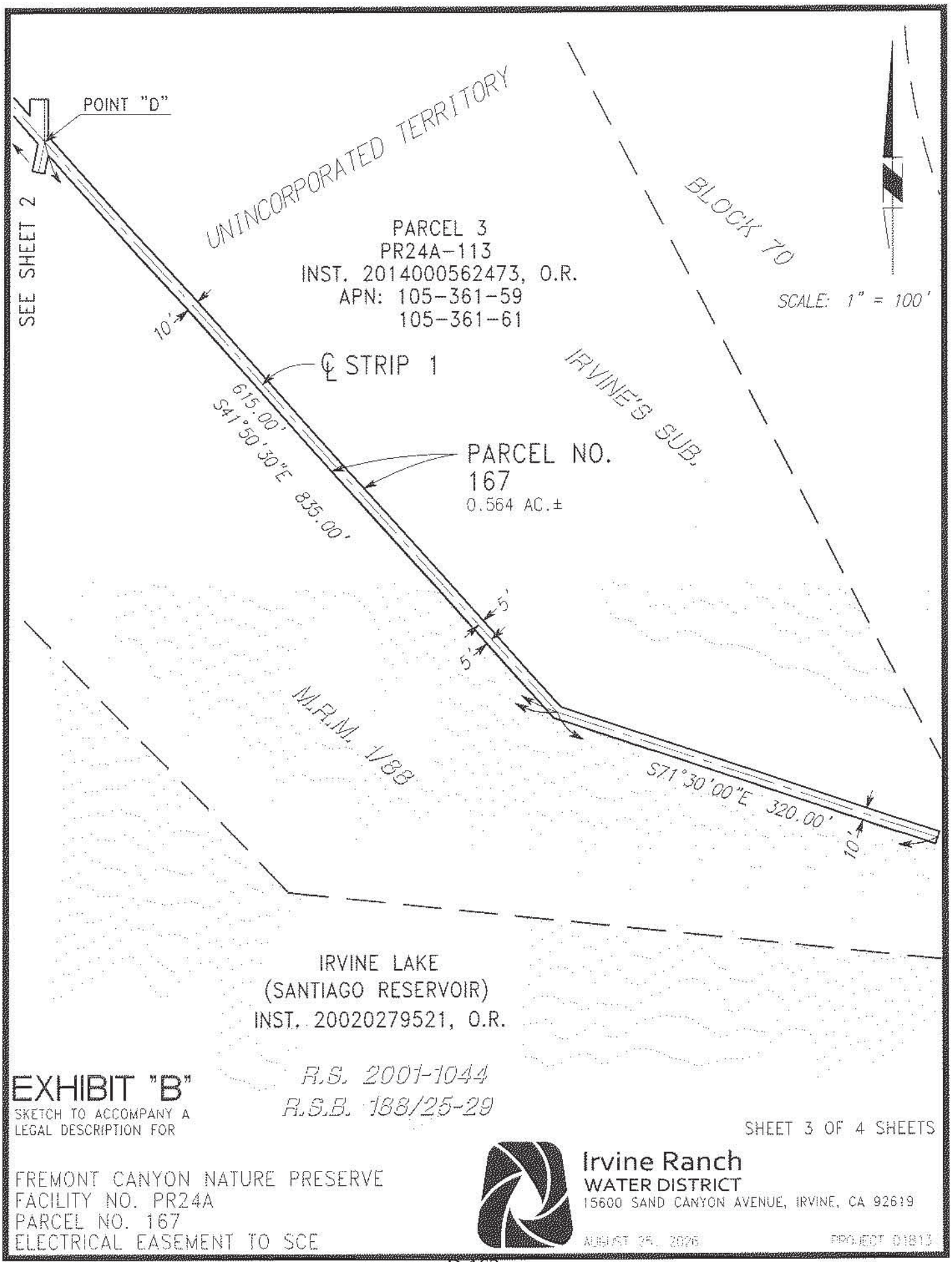


EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

R.S. 2001-1044
R.S.B. 188/25-29

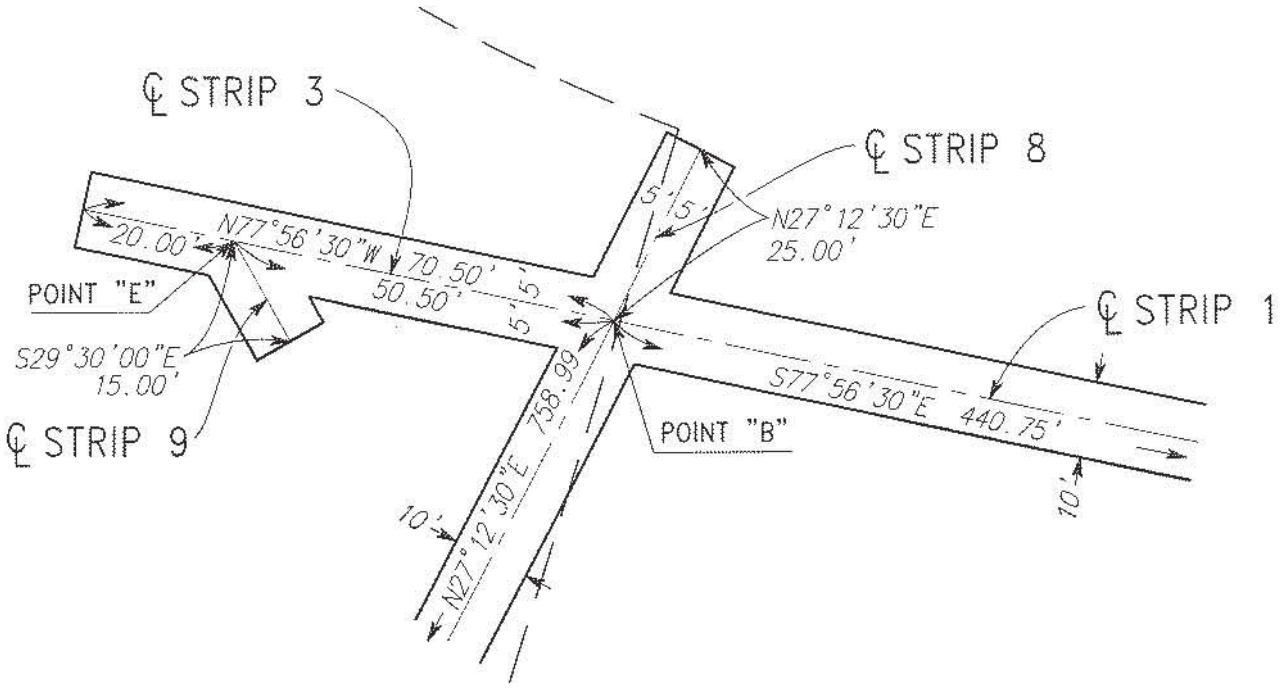
SHEET 3 OF 4 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 167
ELECTRICAL EASEMENT TO SCE

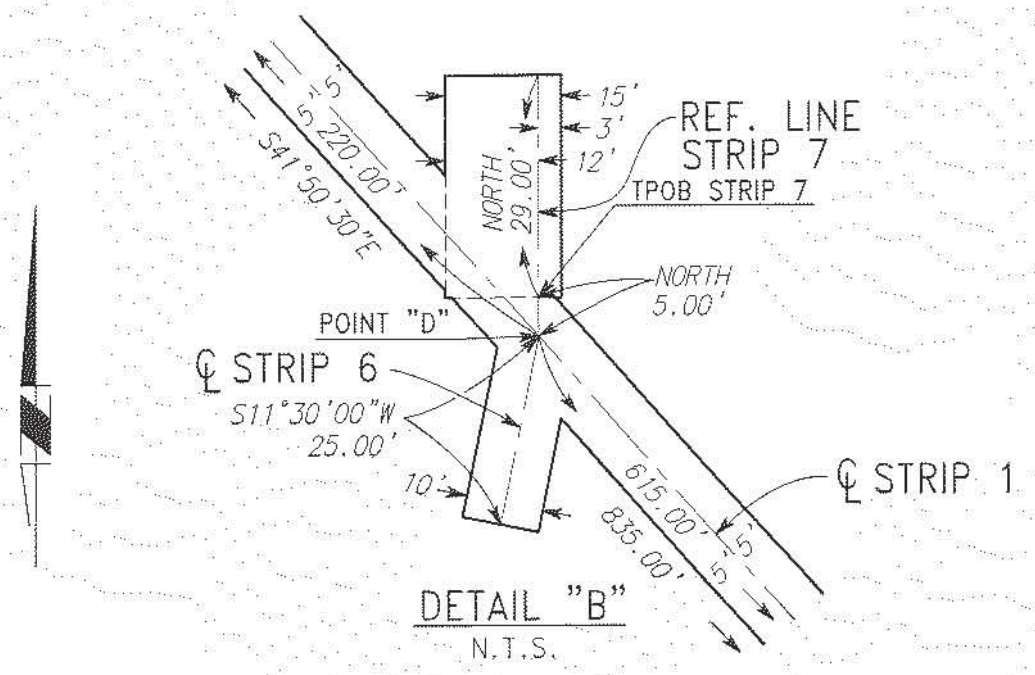
Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

AUGUST 25, 2026

PROJECT D1813



DETAIL "A"
N.T.S.



DETAIL "B"
N.T.S.

EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 167
ELECTRICAL EASEMENT TO SCE

SHEET 4 OF 4 SHEETS

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

AUGUST 25, 2026

PROJECT 01813



EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 1 OF 4 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 167
ELECTRICAL EASEMENT TO SCE

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

AUGUST 25, 2026 PROJECT 01813



EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

SHEET 2 OF 4 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 167
ELECTRICAL EASEMENT TO SCE

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

AUGUST 25, 2026 PROJECT 01813



IRVINE LAKE
(SANTIAGO RESERVOIR)
INST. 20020279521, O.R.

EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

R.S. 2001-1044
R.S.B. 188/25-29

SHEET 3 OF 4 SHEETS

FREMONT CANYON NATURE PRESERVE
FACILITY NO. PR24A
PARCEL NO. 167
ELECTRICAL EASEMENT TO SCE

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

AUGUST 25, 2026 PROJECT 01813

[INSERT 2K ELECTRICAL SCE EASEMENT IRWD TO SCE]

RECORDING REQUESTED BY

SOUTHERN CALIFORNIA EDISON

An EDISON INTERNATIONAL Company

WHEN RECORDED MAIL TO

SOUTHERN CALIFORNIA EDISON COMPANY

3 INNOVATION WAY, 2nd FLOOR
POMONA, CA 91768

Attn: Title and Real Estate Services

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SCE Doc. No.

GRANT OF EASEMENT

DOCUMENTARY TRANSFER TAX $ NONE (VALUE AND CONSIDERATION LESS THAN $100.00)	DISTRICT	SERVICE ORDER	SERIAL NO.	MAP SIZE
	Santa Ana	TD2570758		
SCE Company SIG. OF DECLARANT OR AGENT DETERMINING TAX FIRM NAME	FIM 049-022 APN 105-361-25	APPROVED REAL PROPERTIES	BY SLS/JY	DATE 9/23/2026

IRVINE RANCH WATER DISTRICT, a California water district organized under Division 13 of the California Water Code (hereinafter referred to as "Grantor"), hereby grants to SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, its successors and assigns (hereinafter referred to as "Grantee"), an easement and right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time overhead electrical supply systems and communication systems (hereinafter referred to as "systems"), consisting of poles, guy wires and anchors, crossarms, wires and other appurtenant fixtures and/or equipment necessary or useful, for distributing electrical energy and for transmitting intelligence, data and/or communications (eg. through fiber optic cable), in, on, over, along and across that certain real property in the County of Orange, State of California, described as follows:

FOR LEGAL DESCRIPTION, SEE EXHIBITS "A" AND "B", BOTH ATTACHED HERETO AND MADE A PART HEREOF.

Grantor hereby also grants to Grantee, its successors and assigns, and its and their contractors, agents and employees, the right of free access to said systems and every part thereof, at all times, for the purpose of exercising the rights herein granted, and the right to clear and to keep clear the above described real property, free from explosives, buildings, equipment, brush, combustible material and any and all other obstructions of any kind, and the right to trim or remove any tree or shrub which, in the opinion of Grantee, may endanger said systems, or any part thereof, or interfere with the exercise of the rights herein granted.

EXECUTED this _____ day of _____, 20____.

GRANTEE

IRVINE RANCH WATER DISTRICT, a California water district organized under Division 13 of the California Water Code

_____
Signature

_____
Print Name

_____
Title

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXECUTED this _____ day of _____, 20__.

GRANTEE

SOUTHERN CALIFORNIA EDISON COMPANY,
a corporation

_____
Signature

_____
Print Name

_____
Title

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally

appeared_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "A"

LEGAL DESCRIPTION

SANTIAGO RESERVOIR
ELECTRICAL EASEMENT

That certain parcel of land situated in the unincorporated territory of the County of Orange, State of California being that portion of Block 38 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within that certain parcel of land described in the Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records, both in the Office of the County Recorder of said County being a strip of land, 10.00 feet wide, the centerline of which is described as follows:

COMMENCING at the southwesterly terminus of that certain course in the general Northwesterly line of Irvine Lake (also known as Santiago Reservoir) described in said Grand Deed as having a bearing and distance of North 54°02'59" East 208.11 feet; thence along said course North 54°02'59" East 53.88 feet to the **TRUE POINT OF BEGINNING**;

Thence leaving said general northwesterly line South 27°12'30" W 76.95 feet to that certain course in the general westerly line of said Irvine Lake described in said Grant Deed as having a bearing and distance of North 12°54'01" West 357.82 feet.

The sidelines of said strip shall be lengthened or shortened so as to terminate northeasterly in said general northwesterly line and southwesterly in said general westerly line.

CONTAINING: 770 square feet, more or less.

SUBJECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

EXHIBIT "B" attached hereto and by this reference made a part hereof.

Prepared by me or under my direction:

Dated: January 9, 2026



Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026

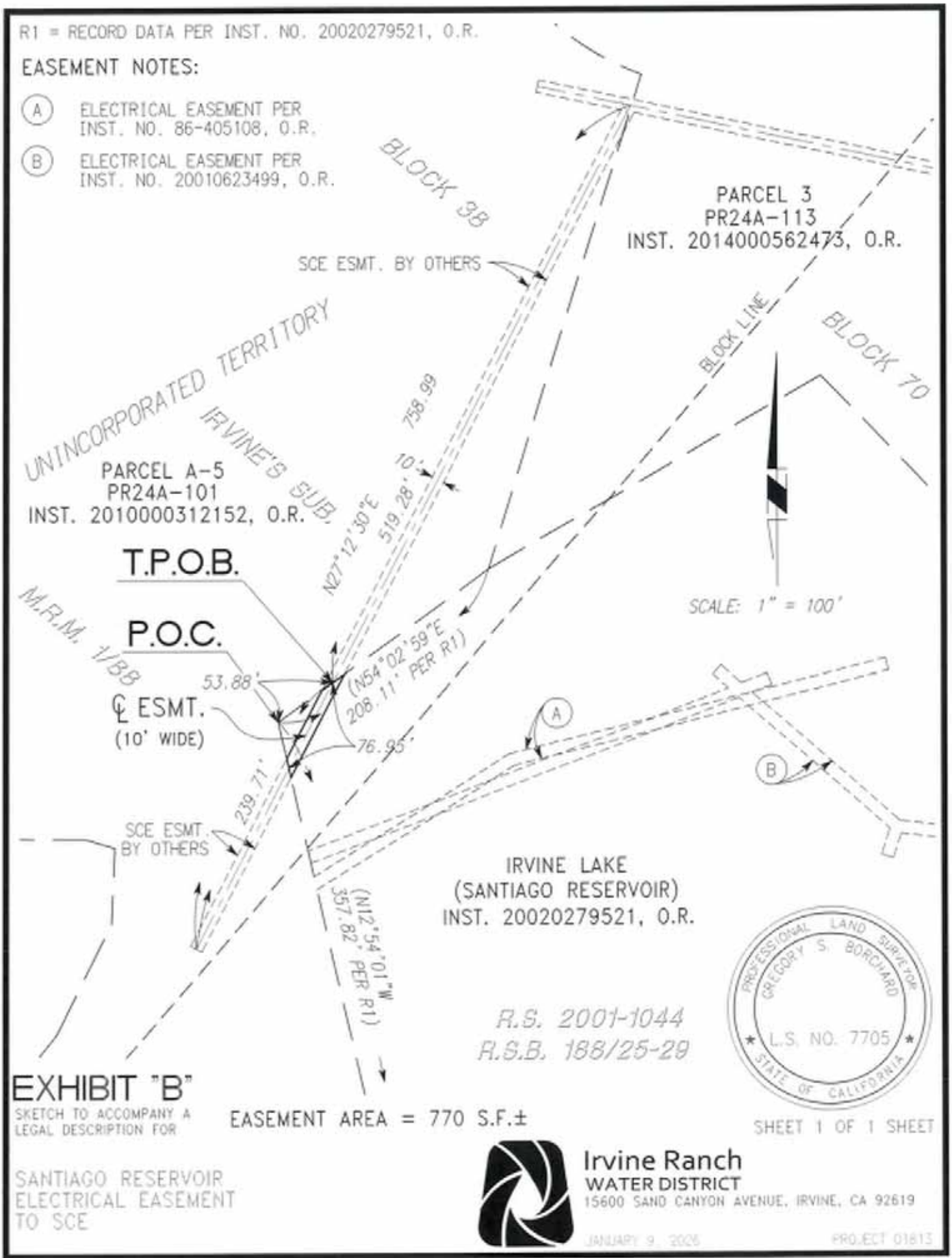

R1 = RECORD DATA PER INST. NO. 20020279521, O.R.
EASEMENT NOTES:
(A) ELECTRICAL EASEMENT PER INST. NO. 86-405108, O.R.
(B) ELECTRICAL EASEMENT PER INST. NO. 20010623499, O.R.
BLOCK 38
PARCEL 3
PR24A-113
INST. 2014000562473, O.R.
SCE ESMT. BY OTHERS
UNINCORPORATED TERRITORY
IRVINE'S SUB.
BLOCK LINE
BLOCK 70
PARCEL A-5
PR24A-101
INST. 2010000312152, O.R.
758.99'
10'
519.28'
N27°12'30"E
T.P.O.B.
P.O.C.
M.R.M. 1/88
53.88'
℄ ESMT.
(10' WIDE)
(N54°02'59"E 208.11' PER R1)
76.95'
239.71'
SCE ESMT. BY OTHERS
SCALE: 1" = 100'
A
B
IRVINE LAKE
(SANTIAGO RESERVOIR)
INST. 20020279521, O.R.
(N12°54'01"W 357.82' PER R1)
R.S. 2001-1044
R.S.B. 188/25-29
PROFESSIONAL LAND SURVEYOR
GREGORY S. BORCHARD
L.S. NO. 7705
STATE OF CALIFORNIA
EXHIBIT "B"
SKETCH TO ACCOMPANY A LEGAL DESCRIPTION FOR
SANTIAGO RESERVOIR
ELECTRICAL EASEMENT
TO SCE
EASEMENT AREA = 770 S.F.±
SHEET 1 OF 1 SHEET
Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619
JANUARY 9, 2026
PROJECT 01813
EXBPLAT-SCE-IRWD-1.DWG



EXHIBIT "B"

SKETCH TO ACCOMPANY A LEGAL DESCRIPTION FOR

EASEMENT AREA = 770 S.F.±

SHEET 1 OF 1 SHEET

SANTIAGO RESERVOIR
ELECTRICAL EASEMENT
TO SCE

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JANUARY 9, 2026 PROJECT 01813

2.4K ELECTRICAL EASEMENT (IRWD TO SCE) EXBPLAT-SCE-IRWD-1.DWG

RECORDED REQUESTED BY AND WHEN RECORDED, RETURN TO:

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618
Attn: General Manager

WITH A CONFORMED COPY TO:

County of Orange
c/o County Executive Office, Real Estate Services
400 W. Civic Center Drive, 5th floor
Santa Ana, CA 92701

Assessor's Parcel No. _____ (Space above line for Recorder's use only)

Exempt from Filing Fees per Gov. Code §§ 6103 and 27383 Exempt from Documentary Transfer Tax per Revenue and Taxation Code §11922

RECIPROCAL EASEMENT AGREEMENT
(Access Roads Around Boat House)

This Reciprocal Easement Agreement ("**Easement Agreement**") is effective as of the date of its recordation in the Official Records of Orange County, California ("**Effective Date**") and is between the COUNTY OF ORANGE ("**County**"), a political subdivision of the State of California, and IRVINE RANCH WATER DISTRICT ("**District**"), a California Water District organized under and existing pursuant to Section 34000 et seq. of the California Water Code. The District and the County may be referred to herein individually as a "**Party**" or collectively as the "**Parties**."

A. The District owns fee title to a dam and reservoir facility commonly known as "Irvine Lake" or the "Santiago Reservoir" (the "**District's Reservoir Property**" or "**Reservoir**"). The District owns a metal building and adjacent wooden shed used for storage and/or servicing boats (collectively, the "**District's Boat House"**) and a concrete boat ramp (the "**District's Boat Ramp**") located on Reservoir Property. The County owns and maintains real property adjacent to the Reservoir ("**County's Property**").

B. Both Parties use existing roadways and parking areas around the Reservoir. The purpose of this Easement Agreement is to establish reciprocal access to the shared roadways around the area of the District's Boat House and District's Boat Ramp, as further described herein.

The Parties therefore agree as follows:

1. Grant of Reciprocal Easements.

a. County hereby grants to the District, its invitees, employees, agents, and contractors a non-exclusive pedestrian and vehicular access easement (the "**District's**

Easement") in, on, over, through, along, and across the portion of the County's Property, more particularly described on Exhibit A and depicted on Exhibit B (the "**District's Easement Area**") for the purposes of accessing the District's Reservoir Property and District's Boat House.

b. The District hereby grants to the County, its invitees (including the general public and County concessionaires), licensees, employees, agents, and contractors a non-exclusive pedestrian and vehicular access easement (the "**County's Easement**") in, on, over, through, along, and across the portion of the District's Property, more particularly described on Exhibit C and depicted on Exhibit D (the "**County's Easement Area**") for the purposes of accessing the District's Reservoir Property and District's Boat Ramp. The Parties acknowledge that the District's Boat Ramp itself, as currently improved, is of secondary importance to the County's Easement Area and the rights associated therewith. The District shall not have any obligation to reconstruct, maintain, or rebuild the District's Boat Ramp whether the County's Easement Area remains in the location set forth herein, or if the County's Easement Area is relocated or modified in accordance with Section 1.c., below.

c. Consistent with that certain agreement titled, "Declaration of Covenants and Restrictions and Termination of Reversionary Rights" ("**CR&R**"), recorded in the official records of Orange County as Instrument No. 2022000107214, and pursuant to a certain unrecorded license between the District and the County titled, "Irvine Lake Access and Use License (**Shoreline Fishing**)" dated July 1, 2019 and subsequently amended on March 27, 2020 and June 29, 2021, the County currently licenses access over the District's Reservoir Property and use of the waters of Irvine Lake for recreational activities (collectively, "**Recreational License"**). The Recreational License may terminate for various reasons, including the execution of a Master Lease, as defined in the Recreational License. The District, its successors or assigns, hereby grants the County the option, the exercise of which is in the sole discretion of the County, to license from the District, upon reasonable and mutually acceptable terms and conditions, access over the District's Reservoir Property and use of the waters of Irvine Lake for the purpose of engaging in recreational activities, which shall be limited to shoreline fishing and those activities reasonably related thereto (e.g. access over the District's Reservoir Property in designated areas to reach the waters of Irvine Lake or similar activities authorized in the CR&R), should the County's Recreational License expire or terminate or any such Master Lease not materialize or be terminated. In the event the County determines that access over the District's Reservoir Property and use of the waters of Irvine Lake for recreational activities would be better served by relocating or modifying the County's Easement Area, then the County's Easement Area will be relocated or modified to a mutually agreed upon location or locations on the District's Reservoir Property for the same uses and purposes set forth herein. The Parties agree to meet in good faith to approve a mutually agreed upon relocation or modified area for the County's Easement Area within 30 days of the County providing written notice to the District on the County's determination to relocate or modify the County's Easement Area. A relocated or modified County Easement Area shall be no less than the square footage of the initial County Easement Area. The County shall record an amendment Easement Agreement for the purposes of memorializing the relocated or modified County Easement Area.

2. Subject to Matters of Record or Apparent. In addition to the terms and conditions set forth in this Easement Agreement, the respective easements conveyed to the Parties hereunder

is subject to all easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record or apparent or of which the Parties have actual notice.

3. Non-Exclusive Rights. The Parties' use of their respective easement area will be non-exclusive, and each Party retains the right to use and to grant to others the non-exclusive right to use the property burdened by the Easement for any and all lawful purposes, to the extent such uses, or any of them, do not unreasonably interfere with the exercise by the other Party of the Easements granted hereunder.

4. Maintenance and Improvements.

a. The Parties agree that the County's use of the County's Easement Area is for the purposes of access by cars, light trucks, recreational vehicles, boat trailers, as well as pedestrian and bike access as permitted by the CR&R. County shall maintain the County's Easement Area in accordance with the County's Operations and Maintenance standards for park facilities and will provide additional maintenance on an as-needed basis, as determined by County. In the event the District requires a more intense use (i.e., large trucks or equipment) of the County's Easement Area as maintained by the County, the District shall be responsible for any necessary additional improvement of the County's Easement Area to meet their needs, subject to subsection (d) below. All maintenance and repairs of the County's Easement Area shall be performed by the County at no cost to the District unless such maintenance or repair is necessitated by the District's specific use or more intense use of the County's Easement Area. All maintenance and repairs shall be performed in such manner and at such intervals as shall be required to maintain the County's Easement Area in good condition and repair. However, consistent with Section 1.b., above, the District shall not have any obligation to reconstruct, maintain, or rebuild the District's Boat Ramp in the initial County Easement Area or any area to which the County Easement Area is relocated.

b. The Parties agree that the District's use of the District's Easement Area is for the purposes of access by cars, large trucks, and equipment for its construction and improvement project for the Santiago Creek Dam and associated facilities. District shall maintain the District's Easement Area in accordance with the District's uses and will provide additional maintenance on an as-needed basis, as determined by District. In the event the County requires a more intense use of the District's Easement Area as maintained by the District, the County shall be responsible for any necessary additional improvement of the District's Easement Area to meet their needs, subject to subsection (d) below. All maintenance and repairs of the District's Easement Area shall be performed by the District at no cost to the County unless such maintenance or repair is necessitated by the County's specific use or more intense use of the District's Easement Area. All maintenance and repairs shall be performed in such manner and at such intervals as shall be required to maintain the District's Easement Area in good condition and repair.

c. Notwithstanding subsection (a) and (b), if a Party (or its invitees, licensees, employees, agents, or contractors) causes damage to the area owned in fee by the other Party, including, as applicable, the District's Easement Area or the County's Easement Area, as a result of activities that generate more than a normal amount of wear and tear (including, without limitation, damage resulting from improper use or from repetitive use by heavy equipment), then

the Party causing such damage shall, at its sole cost and expense, promptly repair and restore the damaged area to its prior condition.

d. Neither Party, in its capacity as the holder of an easement, shall construct, install, or make any improvements within its easement area (i.e., the District's Easement Area in the case of the District and the County's Easement Area in the case of the County, each of which is owned in fee by the other Party) unless it first obtains the prior written authorization of the Party that owns that area in fee. For the District's Easement Area, the District shall obtain written authorization from the County's Chief Real Estate Officer or designee. Notwithstanding the preceding sentences to this subdivision, the County, or its lessee, concessionaire, or licensee shall have the right to improve the initial County Easement Area, or any area to which the County Easement Area is relocated, for boat ramp uses. Any improvements so authorized and made by the easement holder shall thereafter be the sole responsibility and cost of the easement holder, including responsibility and cost for their maintenance, repair, and removal.

5. Indemnity.

a. The District shall indemnify, defend, and hold the County and any other person or entity controlling, controlled by or under common control with the County, and each of their elected officials, officers, directors, employees, representatives, agents, successors and assigns (collectively, the "**County Indemnitees**") harmless from and against any and all claims, obligations, damages, liabilities, costs, and expenses (including but not limited to attorneys' fees and costs), whether made against or incurred by County or any other Indemnitee (collectively, "**Claims**"), arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the District's Easement Area by the District, its officers, directors, employees, invitees, contractors, and agents, and the respective employees thereof; and/or (b) breach of any of the terms of this Easement Agreement by the District; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the negligence or intentional misconduct of the County Indemnitees or any of them. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein.

b. County shall defend, indemnify, protect and hold harmless the District and all of its elected and appointed officials, directors, officers, employees, agents, representatives, successors and assigns (collectively, the "**District's Indemnitees**") from all Claims arising out of or related to injuries to or death of any person or damage to any property resulting from or caused by: (a) use of the County's Easement Area by County, its officers, directors, employees, invitees (including the general public and County concessionaires), contractors, and agents, and the respective employees thereof; or (b) County's construction or maintenance of improvements within the County's Easement Area; provided, however, that the obligation to indemnify shall not apply to the extent that any Claim is determined by a court of competent jurisdiction to have been caused by the negligence or intentional misconduct of the District's Indemnitees or any of them. Payment of any Claim shall not be a condition precedent to enforcement of the indemnity obligations contained herein.

6. Controlling Law. This Easement Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

7. Attorneys' Fees. In any proceeding between the parties seeking enforcement of or attempting to construe any of the terms and provisions of this Easement Agreement, including, without limitation, any litigation seeking legal, declaratory or other relief, each Party shall bear its own costs, including but not limited to attorneys' fees and costs.

8. Notices. Any notice, demand or other communication to be given by either party to the other hereunder shall be given by personal service, Federal Express or other reputable overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the parties at their respective addresses as follows:

IF TO DISTRICT:
Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

IF TO COUNTY:
OC Parks
13042 Old Myford Road
Irvine, CA 92602
Attn: Director, OC Parks

With a copy to:

County Executive Office, Real Estate Services
400 West Civic Center Dr., 5th Floor
Santa Ana, CA 92701
Attention: Chief Real Estate Officer

Any such notice shall be deemed to have been given upon delivery or, if mailed, forty-eight (48) hours after deposit in the mail as aforesaid. Either party may change the address where it desires to receive notice upon giving written notice of such request to the other party.

9. Construction. Headings at the beginning of any section of this Easement Agreement are solely for the convenience of the parties and are not a part of this Easement Agreement. This Easement Agreement shall not be construed as if it has been prepared by either party, but rather as if both Parties have prepared the same.

10. Waiver; Remedies. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

11. Successors. Any assignment of the rights conferred upon the District may only be assigned with the permission of County, whose permission shall not be unreasonably withheld. Assignment of the District's rights to another public entity shall be deemed acceptable to County. The provisions of this Easement Agreement shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns.

12. No Third Party Beneficiaries. No person or entity other than the parties to this Easement Agreement shall be deemed to be a third party beneficiary hereof, and nothing in this Easement Agreement, either express or implied, is intended to confer upon any person or entity, other than the parties to this Easement Agreement (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Easement Agreement.

13. Entire Agreement. This Easement Agreement, including the exhibits attached hereto which are incorporated herein by this reference, contains the entire agreement between the parties relating to the rights granted herein and the obligations herein assumed, subject to that certain unrecorded instrument between the Parties known as the *Easement and Reimbursement Agreement (Santiago Creek Dam Improvement Project)* entered into on _____, 2026, and any amendments related thereto. Any oral representations or modifications concerning this document shall be of no force or effect except a subsequent modification in writing, signed by the party to be charged.

[Signatures appear on following page.]

The Parties have executed this Easement Agreement as of the date indicated below.

Date: _____

COUNTY OF ORANGE

APPROVED AS TO FORM:

By: _____
Michael A. Haubert
Deputy County Counsel

By: _____
Thomas A. Miller
Chief Real Estate Officer

IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

By: _____
Claire H. Collins
General Counsel

By: _____
Paul A. Cook
General Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

(SEAL)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Reciprocal Easement Agreement (Access Roads Around Boathouse) to the IRVINE RANCH WATER DISTRICT, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution No. _____ of the Board of Directors, adopted on _____, and the grantee consents to recordation thereof by its duly authorized officer.

IRVINE RANCH WATER DISTRICT

Dated: _____ By: _____

EXHIBIT "A"

LEGAL DESCRIPTION

OPEN SPACE
FACILITY NO. OS31D
PARCEL NO. 153

That certain parcel of land situated in the unincorporated territory of the County of Orange, State of California being that portion of Block 79 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within that certain parcel described as Open Space-OS31D-101 in the Gift Deed (29-Acre Parcel-East Orange Area II) recorded June 12, 2019 as Instrument No, 2019000205217 of Official Records, both in the Office of the County Recorder of said County being described as follows:

BEGINNING at the easterly terminus of that certain course in the general southwesterly line of Irvine Lake (also known as Santiago Reservoir) described as having a bearing and distance of North 79°19'05" West 618.89 feet in that certain Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records in said Office of the County Recorder; thence along said course and general southwesterly line North 79°19'05" West 618.89 feet;

Thence continuing along said general southwesterly line North 60°48'47" West 158.39 feet;

Thence continuing along said general southwesterly line North 37°29'21" West 165.69 feet;

Thence leaving said last described line South 52°30'39" West 20.00 feet;

Thence South 32°00'00" East 166.00 feet;

Thence South 67°30'00" East 177.40 feet;

Thence South 79°19'05" East 536.32 feet;

Thence South 27°00'00" West 86.48 feet;

Thence South 63°00'00" East 90.50 feet;

Thence South 27°00'00" West 250.42 feet to a point in the northeasterly right of way line of Santiago Canyon Road per Deed of Right of Way recorded September 29, 1958 in Book 4430, Page 94 of Official Records in said Office of the County Recorder, said point being on a non-tangent curve concave southwesterly and having a radius of 1230.00 feet, a radial of said curve to said point bears North 41°06'17" East;

Thence southeasterly along said right of way line and said curve through a central angle of 01°20’56” and arc distance of 28.96 feet;

Thence leaving said right of way line North 27°00’00” East 373.08 feet to a point in said general southwesterly line of Irvine Lake;

Thence northwesterly along said general southwesterly line North 54°01’28” West 42.50 feet to the **POINT OF BEGINNING**.

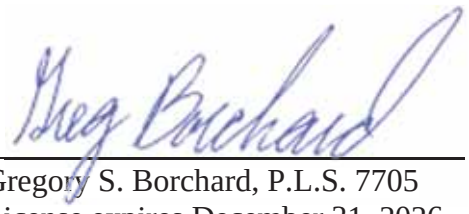
CONTAINING: 0.817 acres, more or less

SUBECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

EXHIBIT “B” attached hereto and by this reference made a part hereof.

Prepared by me or under my direction:

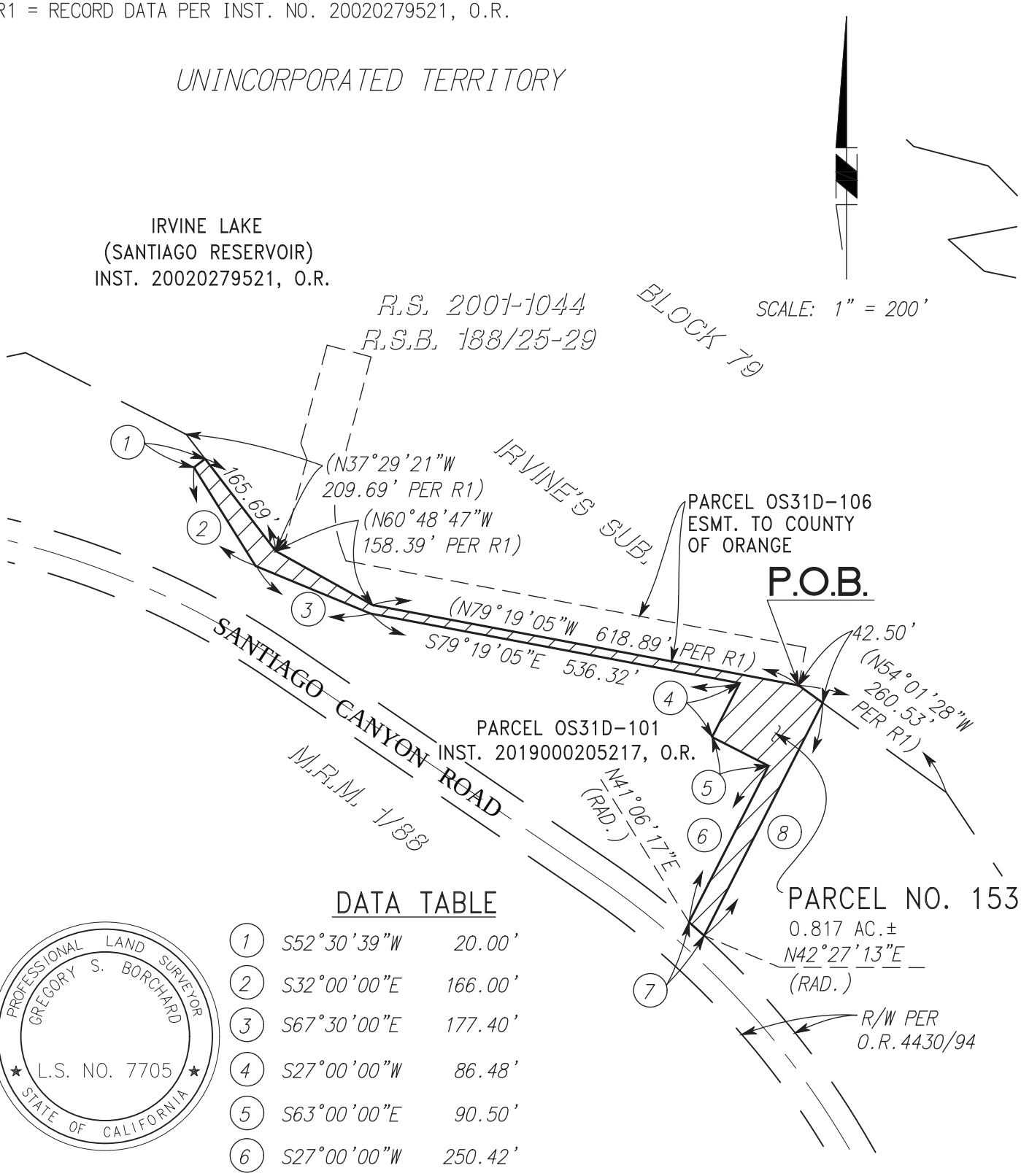
Dated: July 16, 2026



Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026



R1 = RECORD DATA PER INST. NO. 20020279521, O.R.



DATA TABLE

1	S52°30'39"W	20.00'	
2	S32°00'00"E	166.00'	
3	S67°30'00"E	177.40'	
4	S27°00'00"W	86.48'	
5	S63°00'00"E	90.50'	
6	S27°00'00"W	250.42'	
7	Δ=01°20'56"	R=1230.00'	L=28.96'
8	N27°00'00"E	373.08'	

PROFESSIONAL LAND SURVEYOR
GREGORY S. BORCHARD
L.S. NO. 7705
STATE OF CALIFORNIA

EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

OPEN SPACE
FACILITY NO. OS31D
PARCEL NO. 153
ACCESS EASEMENT

SHEET 1 OF 1 SHEET

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

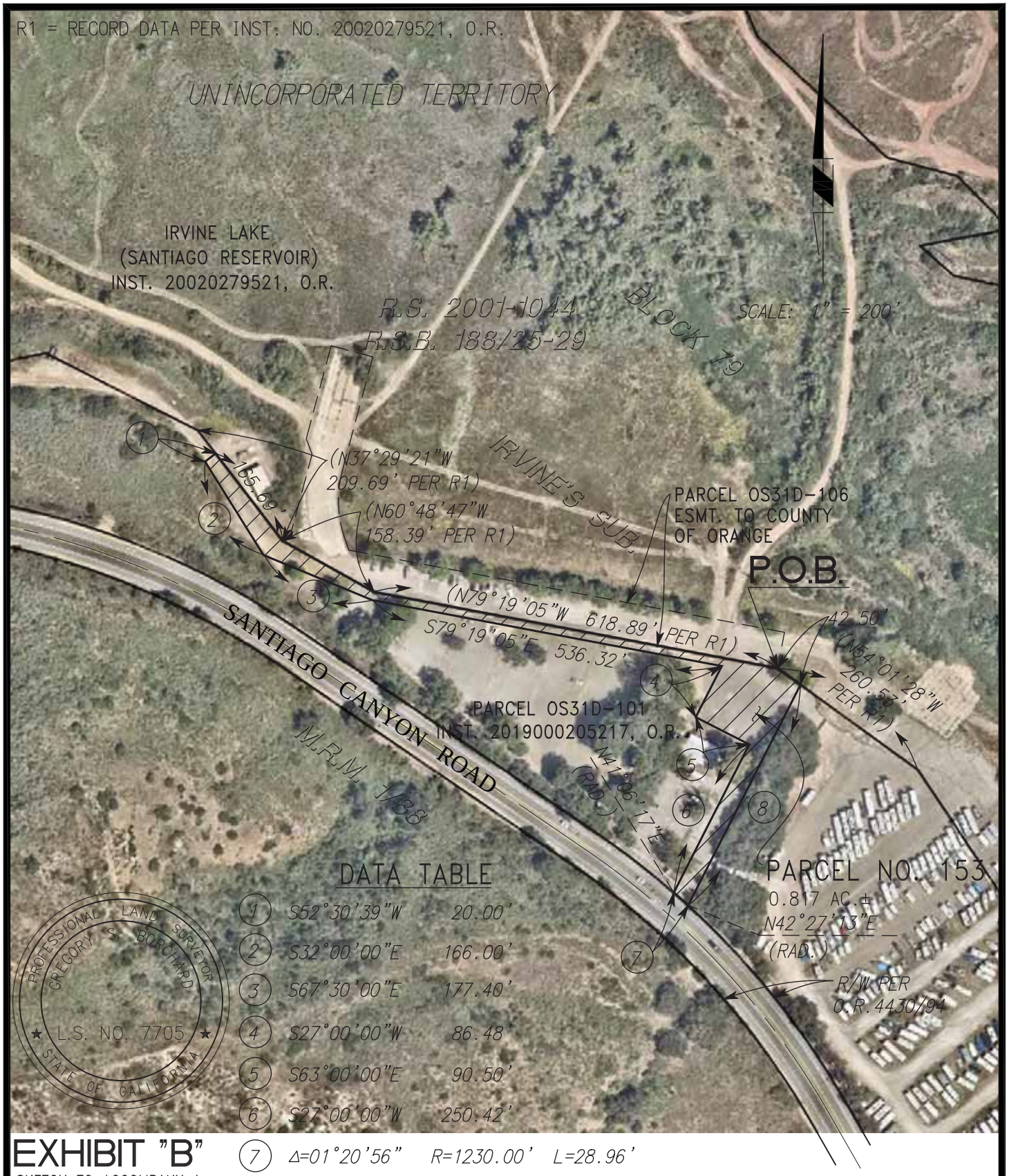
SEPTEMBER 30, 2026

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Reciprocal Easement Agreement (Access Roads Around Boathouse) to the IRVINE RANCH WATER DISTRICT, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution No. _____ of the Board of Directors, adopted on _____, and the grantee consents to recordation thereof by its duly authorized officer.

IRVINE RANCH WATER DISTRICT

Dated: _____ By: _____



DATA TABLE

1	S52°30'39"W	20.00'	
2	S32°00'00"E	166.00'	
3	S67°30'00"E	177.40'	
4	S27°00'00"W	86.48'	
5	S63°00'00"E	90.50'	
6	S27°00'00"W	250.42'	
7	Δ=01°20'56"	R=1230.00'	L=28.96'
8	N27°00'00"E	373.08'	

PROFESSIONAL LAND SURVEYOR
GREGORY S. BORCHARD
L.S. NO. 7705
STATE OF CALIFORNIA

EXHIBIT "B"

SKETCH TO ACCOMPANY A
LEGAL DESCRIPTION FOR

OPEN SPACE
FACILITY NO. OS31D
PARCEL NO. 153
ACCESS EASEMENT

SHEET 1 OF 1 SHEET

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JULY 16, 2026

2.4L RECIPROCAL ACCESS ESMT. (COUNTY TO IRWD)

EXHIBIT "C"

LEGAL DESCRIPTION

OPEN SPACE
FACILITY NO. OS31D
TO COUNTY OF ORANGE
PARCEL NO. 106

That certain parcel of land situated in the unincorporated territory of the County of Orange, State of California being that portion of Block 79 of Irvine's Subdivision as shown on a map thereof filed in Book 1, Page 88 of Miscellaneous Record Maps lying within Irvine Lake (also known as Santiago Reservoir) as described in that certain Grant Deed recorded April 3, 2002 as Instrument No. 20020279521 of Official Records, both in the Office of the County Recorder of said County, being further described as follows:

BEGINNING at the easterly terminus of that certain course in the general southwesterly line of Irvine Lake (also known as Santiago Reservoir) described as having a bearing and distance of North 79°19'05" West 618.89 feet in said Grant Deed; thence along said course and general southwesterly line North 79°19'05" West 618.89 feet;

Thence continuing along said general southwesterly line North 60°48'47" West 158.39 feet;

Thence continuing along said general southwesterly line North 37°29'21" West 7.09 feet;

Thence leaving said last described line South 79°19'05" East 14.97 feet;

Thence North 15°00'00" East 132.07 feet;

Thence North 20°30'00" West 25.00 feet;

Thence North 15°00'00" East 145.00 feet;

Thence South 75°00'00" East 65.00 feet;

Thence South 15°00'00" West 177.29 feet to the beginning of a tangent curve concave easterly and having a radius of 175.00 feet;

Thence southerly along said curve through a central angle of 35°00'00" an arc distance of 106.90 feet;

Thence tangent from said curve South 20°00'00" East 15.72 feet to a line parallel with and 55.00 feet northerly of said above mentioned course of "North 79°19'05" West 618.89 feet";

Thence along said parallel line South 79°19’05” East 668.00 feet;

Thence South 10°40’55” West 55.00 feet to the **POINT OF BEGINNING**.

CONTAINING: 1.314 acres, more or less

SUBECT TO: Covenants, conditions, reservations, restrictions, rights-of-way, and easements of record, if any.

EXHIBIT “D” attached hereto and by this reference made a part hereof.

Prepared by me or under my direction:

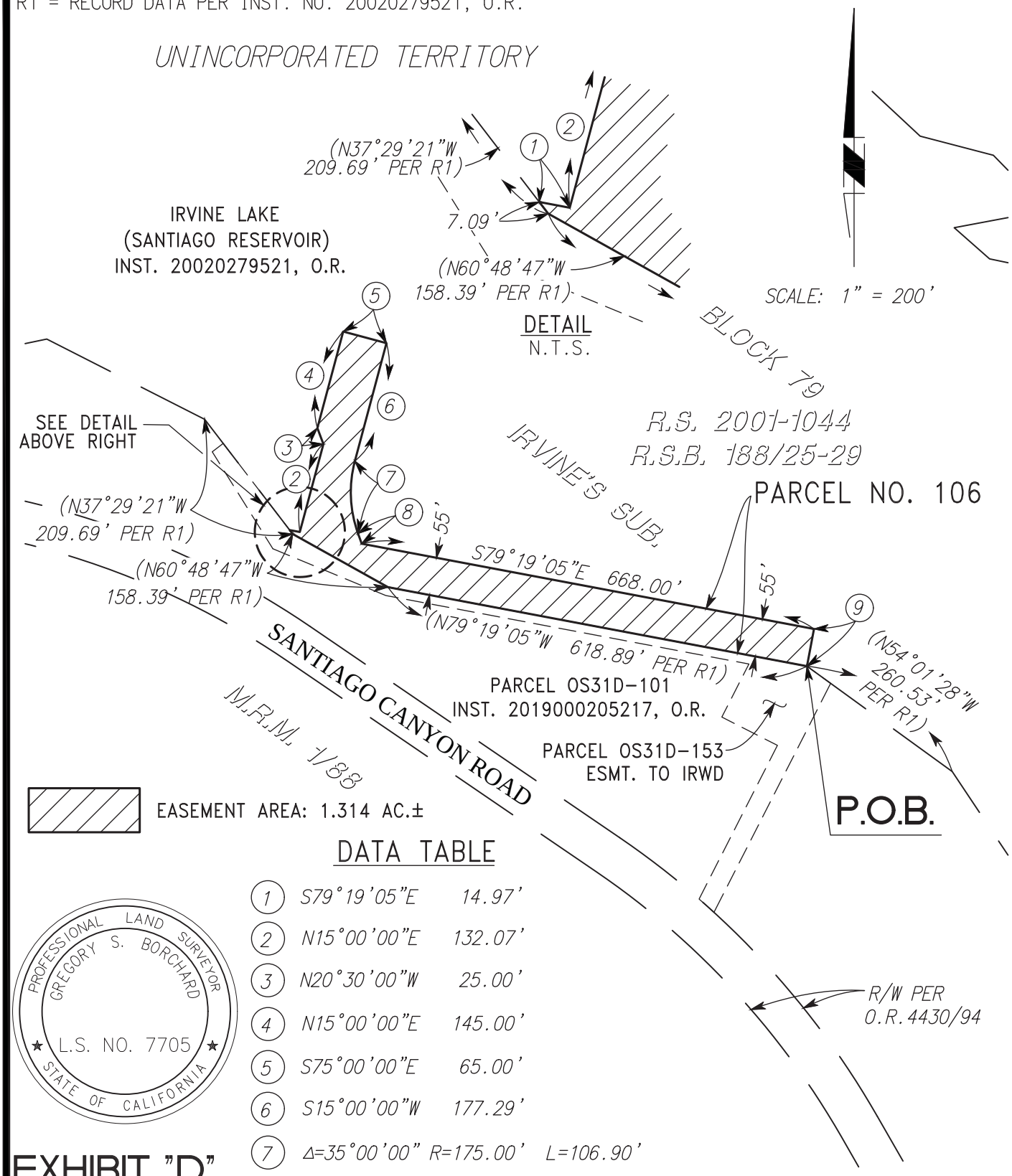
Dated: September 30, 2026





Gregory S. Borchard, P.L.S. 7705
License expires December 31, 2026

R1 = RECORD DATA PER INST. NO. 20020279521, O.R.



DATA TABLE

1	S79°19'05"E	14.97'	
2	N15°00'00"E	132.07'	
3	N20°30'00"W	25.00'	
4	N15°00'00"E	145.00'	
5	S75°00'00"E	65.00'	
6	S15°00'00"W	177.29'	
7	Δ=35°00'00"	R=175.00'	L=106.90'
8	S20°00'00"E	15.72'	
9	S10°40'55"W	55.00'	

PROFESSIONAL LAND SURVEYOR
GREGORY S. BORCHARD
L.S. NO. 7705
STATE OF CALIFORNIA

EXHIBIT "D"

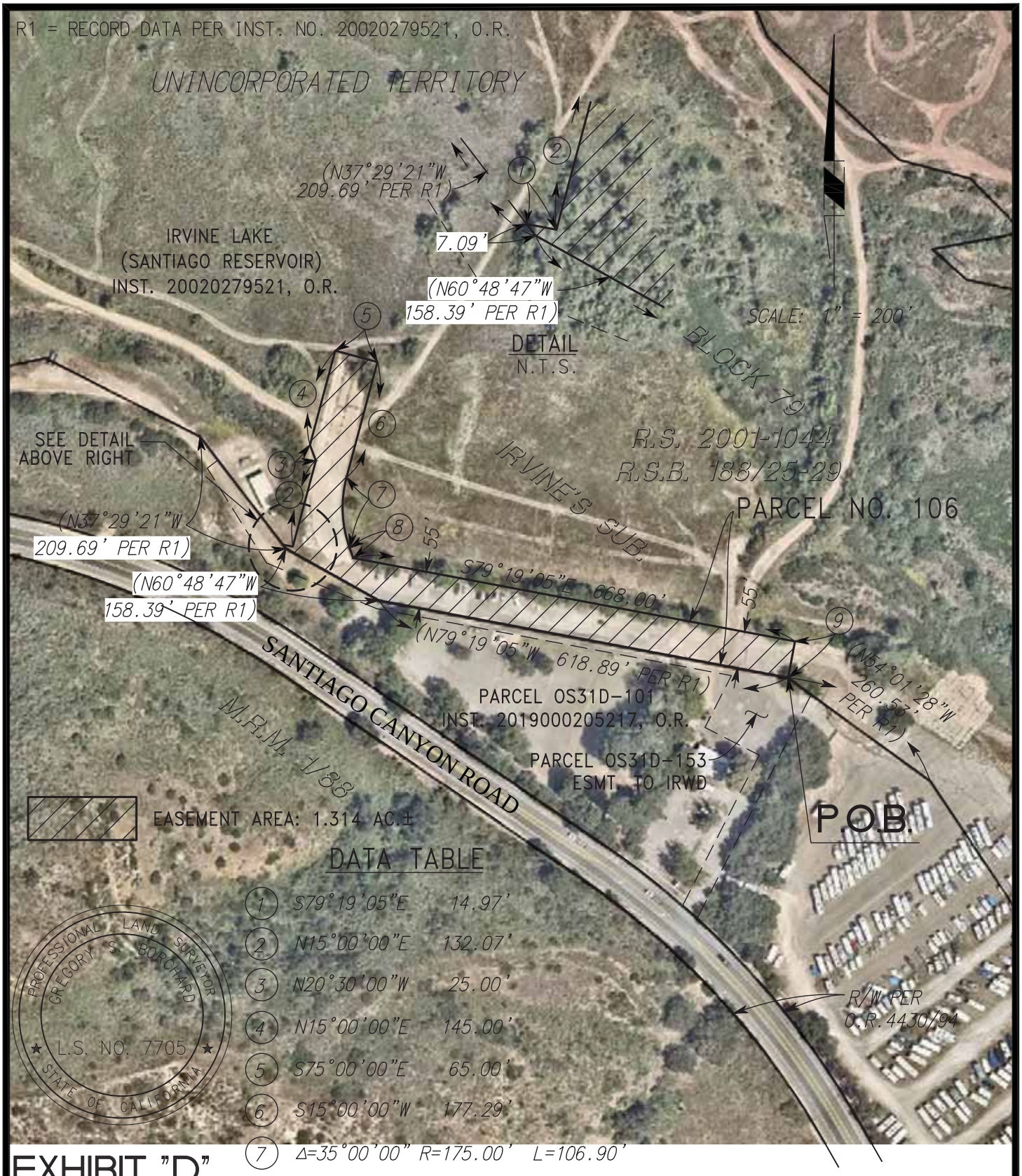
SKETCH TO ACCOMPANY A LEGAL DESCRIPTION FOR

OPEN SPACE
FACILITY NO. OS31D
PARCEL NO. 106
ACCESS EASEMENT

SHEET 1 OF 1 SHEET

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

SEPTEMBER 30, 2026



DATA TABLE

1	S79°19'05"E	14.97'
2	N15°00'00"E	132.07'
3	N20°30'00"W	25.00'
4	N15°00'00"E	145.00'
5	S75°00'00"E	65.00'
6	S15°00'00"W	177.29'
7	Δ=35°00'00"	R=175.00' L=106.90'
8	S20°00'00"E	15.72'
9	S10°40'55"W	55.00'

PROFESSIONAL LAND SURVEYOR
GREGORY S. BORCHARD
L.S. NO. 7705
STATE OF CALIFORNIA

EXHIBIT "D"

SKETCH TO ACCOMPANY A LEGAL DESCRIPTION FOR

OPEN SPACE
FACILITY NO. OS31D
PARCEL NO. 106
ACCESS EASEMENT

SHEET 1 OF 1 SHEET

Irvine Ranch
WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

SEPTEMBER 30, 2026

WELL PROJECT LICENSE AGREEMENT
(Well Replacement Project at Santiago Creek Dam)

This License Agreement ("**Agreement**") is effective as of_____, 2026 (the "**Effective Date**") and is by and between the IRVINE RANCH WATER DISTRICT, a California Water District organized under and existing pursuant to Section 34000 et seq. of the California Water Code ("**IRWD**"), the COUNTY OF ORANGE, a political subdivision of the State of California (the "**County**"). IRWD and the County are each a **"Party"** and together the **"Parties.**"

A. IRWD is the fee owner of a dam and reservoir facility commonly known as "Irvine Lake" or the "Santiago Reservoir" (the "**Reservoir Property**"), which is formed by Santiago Creek Dam.

B. The County, through its Orange County Waste and Recycling ("**OCWR**") department, operates the closed Santiago Landfill, adjacent to the Reservoir Property.

C. IRWD is planning a dam improvement project at the Reservoir that largely consists of replacing the existing spillway structure and outlet tower with a new spillway structure and inclined outlet structure and other related site improvements (the "**Project**"). The District's Project will impact monitoring well MW-A, located at the Santiago Landfill.

D. The State of California Santa Ana Regional Water Quality Control Board ("**RWQCB**"), the state entity responsible for enforcing water quality standards in the area, has requested that monitoring well MW-A be replaced after IRWD completes its work at the Reservoir Property.

E. As required by the RWQCB, IRWD plans to demolish existing monitoring well MW-A at the Santiago Landfill and construct a replacement well (the "**Project**"), as further described herein.

F. The County is willing to grant a license to IRWD for the purposes and according to the terms and conditions set forth in this Agreement.

The Parties therefore agree as follows:

1. Grant of License.

1.1 The County hereby grants to IRWD a license to enter upon the Santiago Landfill to demolish existing monitoring well MW-A and construct a replacement monitoring well and related improvements in, on, over and across a portion of the Santiago Landfill (the "**Improvements**"), in the area depicted on Exhibit A (the "**License Area**").

1.2 IRWD shall have the permission to access the License Area and may bring such tools and implements necessary to conduct the demolition, construction, and installation of the Improvements. This Agreement is intended to permit the storage of tools, equipment, or material required for IRWD's purposes as necessary on a temporary basis for completion and maintenance of the Improvements.

1.3 IRWD shall be solely responsible for all costs associated with the Improvements and shall use reasonable care and diligence in such activities and shall perform all work in a proper and workmanlike manner so as to interfere as little as possible with the Santiago Landfill or the County's activities.

2. Right of OCWR to Use License Area. This license is non-exclusive. The County retains all rights to use the License Area that are not inconsistent with this Agreement. Except in cases of emergency, IRWD shall not impede the County's use of its rights as retained herein.

3. IRWD's Use of License Area.

3.1 IRWD or its employees, independent contractors, agents, representatives or invitees or any persons using or entering upon the License Area, and any other parties directly or indirectly employed by any of the foregoing or reasonably under the control of any of the foregoing or for whose acts any of the foregoing may be liable (collectively, "**IRWD's Representatives**") shall maintain the License Area in a safe and reasonably neat condition. If IRWD or IRWD's Representatives damage any portion of the roof or the License Area, IRWD shall, at its sole cost and expense, promptly repair and restore the same to the condition that existed prior to the damage.

3.2 IRWD shall have access to the License Area 24 hours a day / 7 days a week to operate and maintain the Improvements.

3.3 IRWD shall coordinate with the County and the RWQCB to demolish the existing well and construct the replacement well according to all applicable laws and regulations, including drilling requirements and work plans required by the RWQCB. If possible, IRWD will obtain a RWQCB permit for the replacement well on behalf of OCWR as permittee; if IRWD must obtain a permit in its name, IRWD shall transfer the permit to OCWR upon completion of the replacement well.

4. Ownership and Maintenance of Replacement Well. Following completion of the replacement well, IRWD will convey ownership of the well to the County via a Bill of Sale. Upon acceptance of the well, the County shall assume all ownership and maintenance responsibilities for the replacement well, including responsibilities under the RWQCB permit and any other regulatory requirements.

5. Term.

5.1 This License Agreement is effective as of the Effective Date and will terminate upon completion of the Project.

5.2 Prior to termination of this Agreement, IRWD shall restore the License Area to the same condition that existed prior to this Agreement, normal wear and tear excepted.

6. Assumption of Risk. IRWD will assume all risk of damage to property or injury to persons arising from IRWD's use of the License Area. The County will not be responsible for any damage, injury, or liability arising from IRWD's use of the License Area. Any damage caused by IRWD or its officers, agents, employees, or any person(s) working for or hired by

IRWD, shall be promptly repaired by IRWD at its sole cost and expense. If such damage is not repaired by IRWD within thirty (30) days of notification by the County, the County shall repair the damage with such costs to be reimbursed by IRWD.

7. Indemnification. IRWD shall indemnify, defend, protect and hold the County and its directors, officers, employees, agents and consultants, and all of their respective successors and assigns (collectively, the "**Indemnitees**") harmless from and against any and all claims, demands, losses, obligations, damages, liabilities, causes of action, proceedings, fines, penalties, violations of law, fees, orders, judgments, costs, and expenses (including without limitation, reasonable attorneys', paralegals, and other professionals fees and costs and costs of proceedings), arising out of or in connection with any rights granted herein, including without limitation, all damage to property and personal injury and property damage to third parties (collectively, "**Claims**") proximately caused in whole or in part by (a) the willful or negligent act, error or omission, strict liability or statutory liability of IRWD or IRWD's Representatives, (b) breach or default of any obligation of IRWD under this License Agreement by IRWD or IRWD's Representatives, or (c) the presence of IRWD or IRWD's Representatives at, on or about the License Area.

Notwithstanding the foregoing, IRWD shall have no obligation to indemnify any Indemnitee to the extent that any such Claim is caused by any negligent act or omission or willful misconduct of the Indemnitees (other than a failure to perform an act for which IRWD, its employees, independent contractors or agents are responsible under this Agreement or applicable law or a failure to correct or to require IRWD to correct a condition created by IRWD its employees, independent contractors or agents) or by any act or omission for which Indemnitees are liable without fault.

8. Hazardous Materials. IRWD shall not (i) use, generate or store, or allow its employees, contractors or agents to use, generate or store any Hazardous Materials on the License Area, except for those materials required to perform the activities permitted under this Agreement and in compliance with all federal, state and local laws and regulations for the protection of the environment, human health and safety, as now in effect or hereafter amended (hereinafter "**Environmental Laws**"); or (ii) release or dispose of, or allow its employees, contractors or agents to release or dispose of, any Hazardous Materials on the License Area. "Hazardous Materials" are those materials now or hereafter (A) defined as hazardous substances or hazardous wastes pursuant to the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. Section 9601, et seq.) or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); (B) listed in the Hazardous Substances List, Title 8 , California Code of Regulations, G.I.S.O. Sections 337-339, or those which meet the toxicity, reactivity, corrosivity or flammability criteria of the above Code; (C) characterized, regulated or subject to permitting or warning requirements as hazardous or toxic materials, substances, chemicals, pollutants, contaminants or wastes, or as materials for which removal, remediation or disposal is required under any Environmental Laws; or (D) otherwise posing a present or potential hazard to human health, welfare or the environment.

9. Insurance. Any person, firm, or corporation IRWD authorizes to use the License Area, including any contractor or consultant, shall be deemed to be IRWD's agent and shall be subject to all the applicable terms of this Agreement. Prior to entry onto the License Area, IRWD

shall procure and maintain adequate insurance, and to require its agents to procure and maintain adequate insurance, at its (or its agents') sole cost and expense.

10. Miscellaneous.

10.1 Modification. This License Agreement may not be modified, terminated, or rescinded, in whole or in part, except by a written instrument duly executed and acknowledged by the Parties.

10.2 Governing Law. This License Agreement shall be governed and construed in accordance with the laws of the State of California. Venue shall be Orange County.

10.3 Notice. Any notice to be given under this Agreement shall be given by electronic mail, personal delivery, or by depositing the same in the United States mail, certified or registered, postage prepaid. Any notice delivered personally shall be effective upon delivery. Any notice given by mail shall be effective forty-eight (48) hours after deposit in mail. Any party may change its address for notices by giving written notice of such changes to the other party as provided herein. Notice shall be given at the following address:

To County:
OC Waste & Recycling
601 N. Ross St., 5th Floor
Santa Ana, CA 92701
Attn: Director, OC Waste & Recycling

With a copy to:

County Executive Office, Real Estate Services
400 West Civic Center Dr., 5th Floor
Santa Ana, CA 92701
Attention: Chief Real Estate Officer

To IRWD:
Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000
Attention: General Manager

10.4 Assignment. The permission to use the License Area is specific to IRWD, and may not be assigned by IRWD without the prior written consent of the County.

10.5 Counterparts. This License Agreement may be executed in counterparts, each of which shall be deemed an original but both of which together shall constitute one and the same agreement.

The Parties have executed this Agreement as of the Effective Date.

COUNTY OF ORANGE

APPROVED AS TO FORM:

By:_____
Thomas A. Miller
Chief Real Estate Officer

By:_____
Michael A. Haubert
Deputy County Counsel

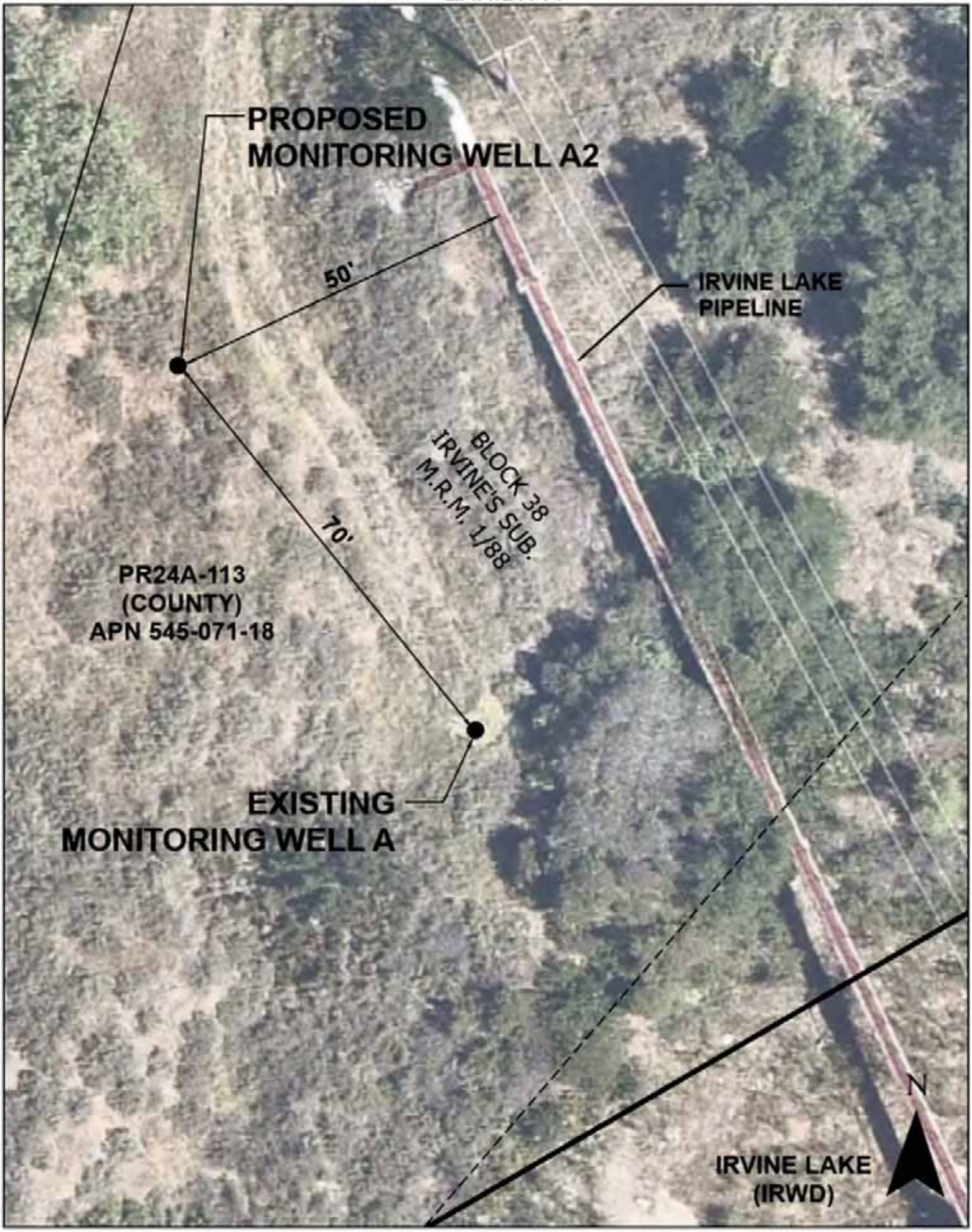
IRVINE RANCH WATER DISTRICT

By:_____
Paul A. Cook
General Manager

APPROVED AS TO FORM:

By:_____
Claire H. Collins
General Counsel

EXHIBIT A



LICENSE AREA

7/22/26

0 10 20 40 Feet

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Well Project License Agreement (Well Replacement Project at Santiago Creek Dam) to the IRVINE RANCH WATER DISTRICT, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution No. _____ of the Board of Directors, adopted on _____, and the grantee consents to recordation thereof by its duly authorized officer.

IRVINE RANCH WATER DISTRICT

Dated: _____ By: _____

EXHIBIT 3
Letter Agreement (OCPF Consent Letter dated June 19, 2026)

Orange County
Parks Foundation

June 19, 2026

Kevin L. Burton, P.E.
Executive Director of Technical Services
Irvine Ranch Water District
15600 Sand Canyon Ave., Irvine, CA 92618

Re: OCPF Conditional Consent – Santiago Creek Dam Improvement Project / Conservation Easement Area

Dear Mr. Burton:

The Orange County Parks Foundation ("OCPF") has carefully reviewed the January 28, 2026 letter from the Irvine Ranch Water District ("IRWD") requesting OCPF's consent to perform project work within and access IRWD property through the area covered by the Grant Deed of Conservation Easement (East Orange Area II), dated December 29, 2014 (the "Grant Deed" or "Conservation Easement"). OCPF has also reviewed the Conservation Easement Matrix (Table 1) and related exhibits, as well as the Environmental Impact Report for the Santiago Creek Dam Improvement Project (the "Project"), approved by the IRWD Board of Directors on November 10, 2025. OCPF appreciates IRWD's thorough presentation and the detailed analysis provided in support of each request.

OCPF provides its conditional consent to Matrix Items 1 through 6, as further described below, based on the following findings:

Finding 1. The Santiago Creek Dam Improvement Project is an important public works project in Orange County.

Finding 2. The State of California Department of Water Resources, Division of Safety of Dams (DSOD) is requiring certain improvements to be made to address public safety concerns.

Finding 3. The permanent improvements required pursuant to State requirements will have an impact on approximately 1.8 acres of the Conservation Easement. There will also be a temporary impact on approximately 11.94 acres of the Conservation Easement.

Finding 4. IRWD will obtain permits from state and federal regulators (the "Resource Agencies"), including an Incidental Take Permit (ITP) and a Lake and Streambed Alteration Agreement (LSAA), for Project impacts to special status species and habitat. IRWD is willing to mitigate for the temporary and permanent impacts on the OCPF Conservation Easement Area, as required by the Conservation Easement.

Finding 5. The easements and license requested by IRWD as set forth in Matrix Items 1 through 6 are consistent with the terms of Schedule 4 (Permitted Uses) and Schedule 5 (Inconsistent Uses) of the Conservation Easement.

Finding 6. In regard to environmental mitigation (Matrix Item 7), IRWD will go through the process described in Paragraph 8 of the Conservation Easement to approve the proposed mitigation measures for the 1.8 acres of Permanent Impact as Permitted Uses under Schedule 4, including addressing the Mandatory Criteria required by Conservation Easement Paragraph 8.

13042 Old Myford Road ♦ Irvine, California ♦ 92602

Finding 7. Because the Irvine Ranch Water District is an Independent Special District, established under the California Water Code, any benefits to IRWD from the approval of additional Permitted Uses in the 1.8 acres will not create a private benefit under the Internal Revenue Code.

Finding 8. IRWD maintains eminent domain powers under California law. The conservation result is more certain and likely improved by a resolution of the Project issues and gaining additional conservation and restoration commitments, rather than complying with the result of a court-ordered condemnation.

Finding 9. The Santiago Creek Dam safety can be accommodated by easements consistent with the terms of the Conservation Easement, by modifying the Permitted Uses of Schedule 4 pursuant to the Approval Process of Paragraph 8 of the Conservation Easement.

On the basis of the foregoing findings, OCPF hereby provides its conditional consent to Matrix Items 1 through 6, subject to the following five conditions:

Condition 1. **Conservation Easement Matrix Items 1–6.** The Conservation Easement Matrix as attached to IRWD's letter dated January 28, 2026, Matrix Items 1 through 6, are approved, subject to the following correction: the references in Items 1 and 2 to "Schedule 4, Section 3" should instead read "Schedule 4, Section 2."

Condition 2. **Project Impact Maps.** The Santiago Creek Dam Improvement Project maps entitled "Project Impacts Vegetation Habitat with OCPF Easement – Exhibit 1" and "Project Impacts Special Status Species with OCPF Easement – Exhibit 2", showing the 1.8-acre Permanent Impact and the 11.94-acre Temporary Impact, are approved subject to all other conditions set forth herein. No significant modification to the Permanent Impact area or the Temporary Impact area shall be made without the prior written approval of OCPF. At the end of construction, IRWD shall provide a final accounting of Permanent and Temporary Impacts to OCPF.

Condition 3. **Future Conservation Easement.** IRWD shall convey a conservation easement in the vicinity of Irvine Lake to OCPF or another qualified entity. If OCPF is not the primary conservation easement holder, then OCPF will be named a third party beneficiary and have the right to receive any required notices, approve any amendments, approve any termination in whole or in part, and enforce the terms of the conservation easement if they are not enforced by the grantee or a senior third party beneficiary. Prior to execution and recording of the conservation easement, OCPF shall be provided a copy to confirm that it contains the provisions set forth in this condition.

Condition 4. **Restoration.** IRWD shall restore all areas of the Conservation Easement temporarily disturbed by Project activities to a condition consistent with the Conservation Values of the Conservation Easement, as set forth in the Grant Deed. The restoration plan approved by the Resource Agencies will be submitted to OCPF for its review and comment prior to implementation of any restoration activities. Restoration shall be completed within a reasonable time following the completion of the Project activities in each temporarily disturbed area, and IRWD shall provide OCPF with written confirmation upon completion of restoration.

13042 Old Myford Road ♦ Irvine, California ♦ 92602

Condition 5. Reimbursement of OCPF Expenses. IRWD shall provide OCPF $10,000 to reimburse OCPF for its reasonable expenses incurred in the review and approval of IRWD's request, including any expenses incurred in connection with the ongoing Paragraph 8 approval process and review of the Future Conservation Easement.

On the basis of the foregoing findings, OCPF hereby provides its conditional consent to Matrix Item 7, subject to the following condition:

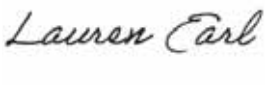
Condition 6. Approval Process for Environmental Mitigation. Matrix Item 7 regarding restoration is subject to OCPF's review and comment after approval from the Resource Agencies at the time that a restoration plan is submitted, as further addressed in Condition 4 above. IRWD will propose to OCPF environmental enhancements according to the Approval Process in Paragraph 8 of the Conservation Easement and shall document how the Mandatory Criteria are satisfied.

With respect to Matrix Item 5 (License for Temporary Water Line along the Blue Diamond Haul Road), OCPF has no objection to the County's grant of a temporary license to construct a temporary water supply connection along the Blue Diamond Haul Road for the duration of the project.

OCPF commends IRWD for its thorough and transparent approach in presenting the Project and its proactive coordination with OCPF and the County. The Santiago Creek Dam Improvement Project serves a critical public safety function, and OCPF is committed to working cooperatively with IRWD and the County to facilitate the Project's completion while preserving the Conservation Values that are fundamental to the Conservation Easement. OCPF requests that IRWD keep OCPF informed of material developments related to the conditions set forth in this letter and looks forward to continued collaboration.

Please do not hesitate to contact us with any questions.

Sincerely,



Lauren Earl
Managing and Marketing Director
Orange County Parks Foundation

cc:

Jacob Moeder, IRWD
Theo Sanchez, IRWD
Cynthia Malko, OC Parks
Brian Kurnow, OC Parks
Ryan Rigali, OC Real Estate
Laura Ratcliffe, IRWD Legal

13042 Old Myford Road ♦ Irvine, California ♦ 92602

October 22, 2026
Prepared and
Submitted by: W. Chambers
Approved by: Paul A. Cook

ENGINEERING AND OPERATIONS COMMITTEE

AGREEMENT FOR SYSTEMWIDE FACILITIES FOR THE
JOINT REGIONAL WATER SUPPLY SYSTEM

SUMMARY:

IRWD is one of six public agencies (Member Agencies) that share the Joint Regional Water Supply System (JRWSS), a system of pipelines and reservoirs that delivers imported water to South Orange County. South Coast Water District (SCWD) operates the system as the Designated Operator.

Existing agreements govern individual JRWSS pipelines and reservoirs but do not address cost recovery for systemwide administrative and general facilities, including office and inventory storage facilities at Bradt Reservoir, the mapping system, and portions of the Supervisory Control and Data Acquisition (SCADA) system. The proposed Agreement for Systemwide Facilities for the Joint Regional Water Supply System (Systemwide Agreement) addresses this gap by establishing cost-sharing requirements, oversight responsibilities, and budget, audit, and insurance provisions.

The Systemwide Agreement reduces IRWD's historical share of systemwide costs from 0.98% to 0.58% while leaving existing JRWSS agreements in place. IRWD would hold one of six Committee votes. Decisions also require approval by agencies representing more than half of capacity ownership, which gives larger agencies greater influence. Staff recommends that the Board:

- Approve the Systemwide Agreement;
- Authorize the Board President to execute the agreement on IRWD's behalf; and
- Authorize the General Manager, subject to General Counsel's review, to approve non-substantive clarifying changes prior to its November 12, 2026, effective date.

BACKGROUND:

The JRWSS comprises approximately 40 miles of transmission mains and two reservoirs with 60 million gallons of storage capacity. IRWD participates in the JRWSS through its five cubic feet per second capacity allocation in the Joint Transmission Main (JTM), Reach 1, a pipeline within the regional system. A map of the JRWSS is included as Exhibit "A". Eleven agreements (ten executed in 2000 and one in 2004) currently govern individual pipelines, reservoirs, and service arrangements. Several original parties have since merged with other agencies or left the system.

SCWD circulated a draft Systemwide Agreement in 2024. The Member Agencies reviewed and revised it over the following two years. On August 12, 2026, the JRWSS Member Agency Committee adopted the final draft, subject to clarifying edits, and requested governing body action before its next quarterly meeting on November 12, 2026, the agreement's stated effective date.

Key Terms of the Systemwide Agreement:

Systemwide costs, including administration, operations and maintenance, capital improvements, and emergency repairs, are shared according to fixed percentages, with IRWD's share set at 0.58%. A Systemwide Committee, with one representative from each Member Agency, oversees the budget and approves individual capital improvements exceeding $100,000. SCWD prepares the annual budget for approval by each Member Agency's governing body and bills twice annually. Each Member Agency may audit SCWD's books at its own expense.

SCWD may undertake unbudgeted emergency repairs without prior approval but must provide notice within three working days and obtain Committee ratification. The agreement places no dollar limit on these repairs. SCWD insures the systemwide facilities and indemnifies the other Member Agencies only for gross negligence or willful misconduct; costs from other causes are shared by percentage.

Disputes proceed through negotiation, mediation, and a judicial referee, with the prevailing party recovering fees and costs. The agreement has no fixed term and may be terminated by the Committee using the same voting requirements as other decisions. Amendments require all Member Agencies' signatures.

Points for Board Consideration:

The Systemwide Agreement establishes a defined, reduced cost share for IRWD, provides Committee representation and annual Board budget approval, and grants audit rights. However, IRWD's limited capacity ownership reduces its influence in Committee decisions. The absence of a dollar limit on emergency repairs allows costs to be incurred before Committee ratification. Costs arising from SCWD's ordinary negligence are shared among the Member Agencies, and the Committee may also terminate the agreement without IRWD's consent.

Given IRWD's relatively small cost share and corresponding financial exposure, staff considers the terms acceptable. IRWD's legal counsel has reviewed the Systemwide Agreement. The agreement is attached as Exhibit "B."

FISCAL IMPACT:

The Systemwide Agreement reduces IRWD's historical share of systemwide costs from 0.98% to 0.58%. Based on FY 2022/2023 cost estimates, this would reduce IRWD's annual cost from $9,070 to $5,368, a savings of $3,702. IRWD would pay $580 of each $100,000 in systemwide costs, plus an estimated $87 annual share of the $15,000 base administrative assessment, which adjusts annually for inflation.

ENVIRONMENTAL COMPLIANCE:

Approval of the Systemwide Agreement is not a "project" under the California Environmental Quality Act (CEQA). It is an organizational and administrative activity of government that will not result in direct or indirect physical changes in the environment. (Cal. Code Regs., tit. 14, § 15378, subd. (b)(5).) Any later physical improvement to the systemwide facilities would be subject to separate environmental review as CEQA requires.

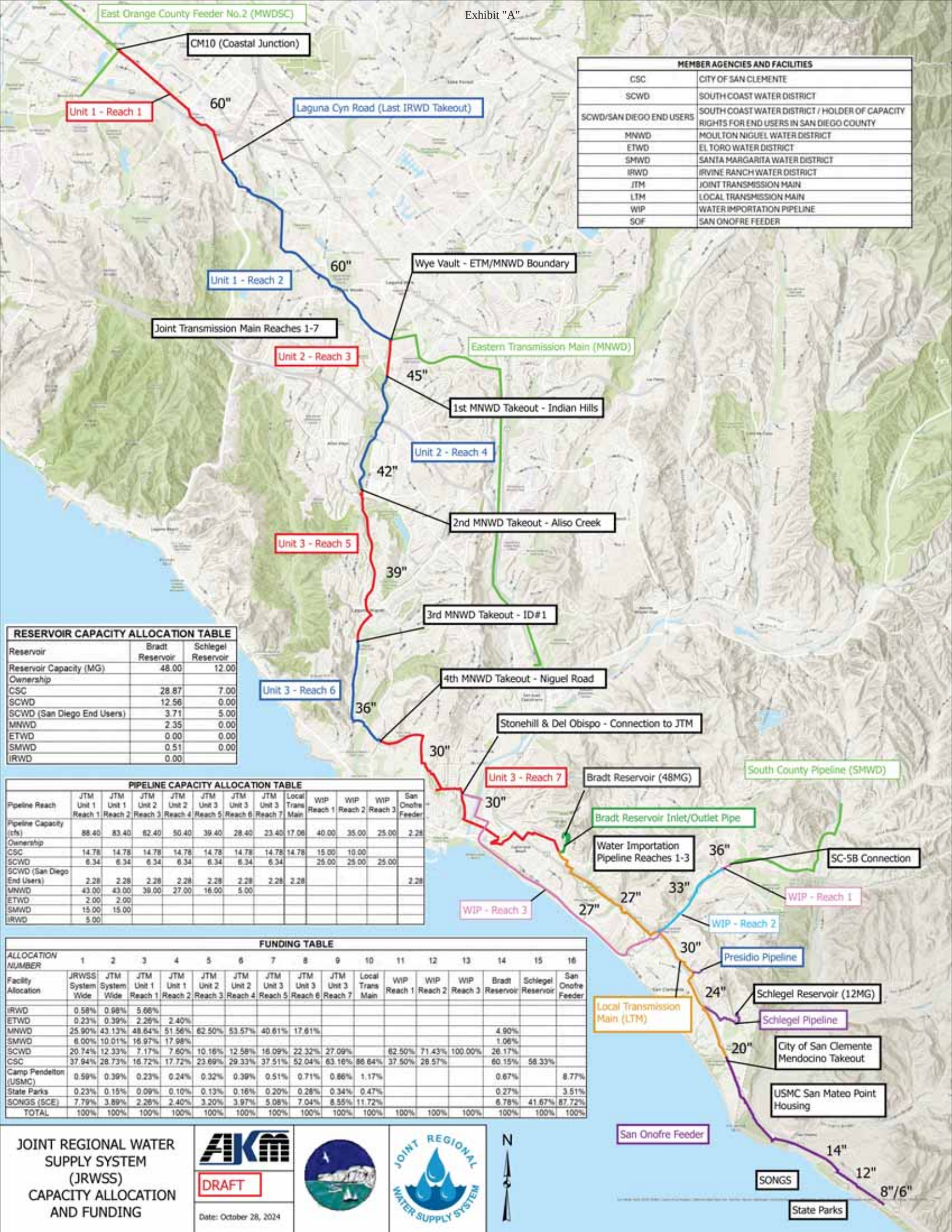
RECOMMENDATION:

That the Board (1) approve the Agreement for Systemwide Facilities for the Joint Regional Water Supply System, (2) authorize the President of the Board to execute the agreement on IRWD'S behalf, (3) authorize the General Manager, subject to General Counsel's review, to approve non-substantive clarifying changes prior to the agreement's November 12, 2026 effective date.

LIST OF EXHIBITS:

Exhibit "A" – Map of JRWSS
Exhibit "B" – Agreement for Systemwide Facilities for the Joint Regional Water Supply System (including Exhibits "A" and "B" thereto)

Note: This page is intentionally left blank.



MEMBER AGENCIES AND FACILITIES	
CSC	CITY OF SAN CLEMENTE
SCWD	SOUTH COAST WATER DISTRICT
SCWD/SAN DIEGO END USERS	SOUTH COAST WATER DISTRICT / HOLDER OF CAPACITY RIGHTS FOR END USERS IN SAN DIEGO COUNTY
MNWD	MOULTON NIGUEL WATER DISTRICT
ETWD	EL TORO WATER DISTRICT
SMWD	SANTA MARGARITA WATER DISTRICT
IRWD	IRVINE RANCH WATER DISTRICT
JTM	JOINT TRANSMISSION MAIN
LTM	LOCAL TRANSMISSION MAIN
WIP	WATER IMPORTATION PIPELINE
SOF	SAN ONOFRE FEEDER

RESERVOIR CAPACITY ALLOCATION TABLE

Reservoir	Bradt Reservoir	Schlegel Reservoir
Reservoir Capacity (MG)	48.00	12.00
Ownership		
CSC	28.87	7.00
SCWD	12.56	0.00
SCWD (San Diego End Users)	3.71	5.00
MNWD	2.35	0.00
ETWD	0.00	0.00
SMWD	0.51	0.00
IRWD	0.00	

PIPELINE CAPACITY ALLOCATION TABLE

Pipeline Reach	JTM Unit 1 Reach 1	JTM Unit 1 Reach 2	JTM Unit 2 Reach 3	JTM Unit 2 Reach 4	JTM Unit 3 Reach 5	JTM Unit 3 Reach 6	JTM Unit 3 Reach 7	Local Trans Main	WIP Reach 1	WIP Reach 2	WIP Reach 3	San Onofre Feeder
Pipeline Capacity (cfs)	88.40	83.40	62.40	50.40	39.40	28.40	23.40	17.06	40.00	35.00	25.00	2.28
Ownership												
CSC	14.78	14.78	14.78	14.78	14.78	14.78	14.78	14.78	15.00	10.00		
SCWD	6.34	6.34	6.34	6.34	6.34	6.34	6.34		25.00	25.00	25.00	
SCWD (San Diego End Users)	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28				2.28
MNWD	43.00	43.00	39.00	27.00	16.00	5.00						
ETWD	2.00	2.00										
SMWD	15.00	15.00										
IRWD	5.00											

FUNDING TABLE

ALLOCATION NUMBER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Facility Allocation	JRWSS System Wide	JTM System Wide	JTM Unit 1 Reach 1	JTM Unit 1 Reach 2	JTM Unit 2 Reach 3	JTM Unit 2 Reach 4	JTM Unit 3 Reach 5	JTM Unit 3 Reach 6	JTM Unit 3 Reach 7	Local Trans Main	WIP Reach 1	WIP Reach 2	WIP Reach 3	Bradt Reservoir	Schlegel Reservoir	San Onofre Feeder
IRWD	0.58%	0.98%	5.66%													
ETWD	0.23%	0.39%	2.26%	2.40%												
MNWD	25.90%	43.13%	48.64%	51.56%	62.50%	53.57%	40.61%	17.61%						4.90%		
SMWD	6.00%	10.01%	16.97%	17.98%										1.06%		
SCWD	20.74%	12.33%	7.17%	7.60%	10.16%	12.58%	16.09%	22.32%	27.09%		62.50%	71.43%	100.00%	26.17%		
CSC	37.94%	28.73%	16.72%	17.72%	23.69%	29.33%	37.51%	52.04%	63.16%	86.64%	37.50%	28.57%		60.15%	58.33%	
Camp Pendelton (USMC)	0.59%	0.39%	0.23%	0.24%	0.32%	0.39%	0.51%	0.71%	0.86%	1.17%				0.67%		8.77%
State Parks	0.23%	0.15%	0.09%	0.10%	0.13%	0.16%	0.20%	0.28%	0.34%	0.47%				0.27%		3.51%
SONGS (SCE)	7.79%	3.89%	2.26%	2.40%	3.20%	3.97%	5.08%	7.04%	8.55%	11.72%				6.78%	41.67%	87.72%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

JOINT REGIONAL WATER SUPPLY SYSTEM (JRWSS) CAPACITY ALLOCATION AND FUNDING

AKM

DRAFT

Date: October 28, 2024

JOINT REGIONAL WATER SUPPLY SYSTEM

Note: This page is intentionally left blank.

AGREEMENT FOR SYSTEMWIDE FACILITIES

FOR

THE JOINT REGIONAL WATER SUPPLY SYSTEM

This Agreement for Systemwide Facilities for the Joint Regional Water Supply System Agreement ("Systemwide Agreement") is effective as of November 12, 2026 ("Effective Date") and entered by and among the parties, which are individually referred to as "Party" and collectively referred to as "Parties", listed on the **Signature Page** to this Systemwide Agreement.

RECITALS

A. The Joint Regional Water Supply System ("JRWSS") is comprised of eleven agreements, which are listed in **Exhibit "A",** and are collectively referred to herein as the "JRWSS Agreements". Of the eleven JRWSS Agreements, seven agreements ("San Diego Agreements") govern the San Diego County Water Authority ("SDCWA") and the end users in San Diego County regarding the San Onofre Feeder. The San Diego Agreements are Nos. 5 – 11 in **Exhibit "A"**. The San Diego County end users, which are customers of the SDCWA, are the Southern California Edison Company[1], the United States of America, and the State of California (collectively the "San Diego End Users"). The San Diego End Users and the SDCWA are not subject to this Systemwide Agreement because the San Diego End Users do not own capacity rights in the JRWSS Facilities, except the San Onofre Feeder, which is owned by the SDCWA; instead, the South Coast Water District ("SCWD") owns the San Diego End Users' capacity rights via certain San Diego Agreements.[2]

---

[1] The Southern California Edison Company is not a "public agency" under the Joint Exercise of Powers Act nor has the authority to operate and maintain potable water pipelines, reservoirs, and appurtenant facilities; so, Edison cannot be a party to an agreement, such as this Systemwide Agreement, that is subject to the Joint Exercise of Powers Act.

[2] Pursuant to LAFCO Resolution No. RO99-07 dated January 26, 2000, which is attached as Exhibit "B", the territory of Tri-Cities Municipal Water District located in San Diego County was detached from Tri-Cities and the SDCWA became the successor agency to that territory. So, this Systemwide Agreement does not include either the SDCWA or three of its customers, the San Diego End Users.

B. For the following reasons, Tri-Cities Municipal Water District ("Tri-Cities"), Capistrano Valley Water District, and City of San Juan Capistrano were original signatories, but are no longer parties, to certain JRWSS Agreements (and therefore are not parties to this Systemwide Agreement). Pursuant to Orange County Local Agency Formation Commission ("LAFCO") Resolution No. R099-07 dated January 26, 2000, which is attached as **Exhibit "B"**, Tri-Cities was consolidated with Coastal Municipal Water District ("Coastal") wherein Coastal became the legal successor-in-interest to Tri-Cities, and Tri-Cities ceased to exist effective March 31, 2000. Coastal was not responsible for ownership or day-to-day operation of any water storage or transmission facilities owned and operated by Tri-Cities; rather, Coastal transferred such responsibilities to other public agencies pursuant to separate agreements represented by Nos. 1-4 of the JRWSS Agreements. Capistrano Valley Water District annexed into the City of San Juan Capistrano, which subsequently annexed its water and wastewater service to Santa Margarita Water District on November 15, 2021.

C. The assets and facilities described in the JRWSS Agreements include, but are not limited to the Joint Transmission Main ("JTM"), the Water Importation Pipeline ("WIP"), the Local Transmission Main ("LTM"), the Bradt Reservoir, the Schlegel Reservoir (including the Schlegel Pipeline), the San Onofre Feeder, and pipelines and appurtenances to the foregoing facilities (collectively, "JRWSS Facilities"). All assets and facilities that service all or multiple JRWSS Facilities but not a particular JRWSS Facility (e.g., the 'upper' office and inventory storage facilities located at the Bradt Reservoir site, the Geographic Information System (GIS), and portions of the Supervisory Control and Data Acquisition (SCADA) System) are collectively referred to herein as the "Systemwide Facilities".

D. Pursuant to LAFCO Resolution No. RO99-07 (1) SCWD was named operator of the JTM, WIP, LTM, and San Onofre Feeder, (2) certain Tri-Cities' assets and capacity rights were transferred to SCWD and the City of San Clemente by separate "Transfer Agreements" represented by certain JRWSS Agreements, (3) the "rights, duties, and obligations under the Local Transmission Main agreement" were transferred to the owners of such facilities upon mutual agreement represented by the Agreement for Transfer of Ownership and to Operate and Maintain the Local Transmission Main Facilities and the Schlegel Reservoir ("LTM Agreement"), (4) title to the Schlegel Reservoir was transferred to the City of San Clemente, (5)

title to the San Onofre Feeder was transferred to the SDCWA, and leased to SCWD as "contract operator" and operated and maintained by SCWD, (6) employees of Tri-Cities were transferred to SCWD and offered "permanent employment" with SCWD, and (7) debts, liabilities, contracts, and obligations of Tri-Cities, including Tri-Cities' bonded indebtedness and Certificate of Participation Financing, were transferred and assigned to SCWD as "contract operator".

E. Pursuant to the Amended and Restated Joint Exercise of Powers Agreement to Operate and Maintain the Joint Transmission Main Facilities ("JTM Agreement") and the Joint Exercise of Powers Agreement to Operate and Maintain the Water Importation Pipeline ("WIP Agreement"), each party to the JTM Agreement and the WIP Agreement appointed a delegate to the "administrative committee" to represent each party's respective interests. Pursuant to LAFCO Resolution No. RO99-07, the "administrative committee" appointed SCWD as the Designated Operator of the facilities in the JTM Agreement and WIP Agreement.

F. Other than the JTM Agreement and the WIP Agreement, the remaining JRWSS Agreements do not mention the "administrative committee" or any other governing authority to govern either the remaining JRWSS Facilities or the relationship among the Parties to this Systemwide Agreement. This Systemwide Agreement is intended to establish (1) Systemwide Costs (defined below) and allocation of such Systemwide Costs among the Parties and (2) an administrative committee to govern such Systemwide Costs and Systemwide Facilities.

G. Each Party to this Systemwide Agreement is (a) a "public agency" as defined in the Joint Exercise of Powers Act at Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.), and (b) authorized and empowered to contract with the other Parties for the joint exercise of powers under the Joint exercise of Powers Act. Each Party has the authority and power to operate and maintain potable water pipelines, reservoirs, and appurtenant facilities within (and in some cases, outside) their respective boundaries. The Parties do not intend to create a separate legal entity within the meaning of California Government Code Section 6507. The Parties shall jointly administer this Agreement through their respective representatives as provided herein, but no independent Joint Powers Authority or separate public agency is established by this Agreement. The Parties believe that it is mutually beneficial for each Party to cooperate in their joint efforts to fund Systemwide Costs and fund, develop, operate, and maintain the Systemwide Facilities.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and terms and conditions herein, the Parties agree as follows:

1. JRWSS AGREEMENTS

This Systemwide Agreement is a standalone agreement that does not amend the JRWSS Agreements. The JRWSS Agreements shall remain in full force and effect after this Systemwide Agreement is fully executed. For avoidance of doubt, no Party will incur liability above and beyond the liability already obligated to a Party under the JRWSS Agreements to which the Party is either a party or a successor party. Capitalized terms used in this Systemwide Agreement, without being separately defined herein, shall have the same meaning as defined in the JRWSS Agreements. All Systemwide Facilities operated, maintained, and managed by the Designated Operator are held in the name of the Designated Operator for the benefit of the Parties in proportion to the Parties' percentages of capacity ownership specified in Table 1 below.

2. JRWSS COMMITTEE

2.1 **Committee Functions**. There is hereby created a "Systemwide Committee" for the Systemwide Costs and Systemwide Facilities. The Systemwide Committee will (a) review and approve the annual operating budget for Systemwide Costs and Systemwide Facilities pursuant to Section 5 hereof, (b) review and evaluate the management, operation, and maintenance of the Systemwide Facilities; and (c) otherwise administer this Systemwide Agreement. The Systemwide Committee shall not constitute a Joint Powers Authority, public corporation, or independent agency.

2.2 **Committee Representatives**. Each Party shall appoint one representative and up to two alternate representatives to the Systemwide Committee (together the "Committee Representative") with the authority to vote on matters set forth above in Section 2.1 on behalf of the appointing Party. Until such appointment, the Committee Representative from each Party

shall be the attendees at the JRWSS quarterly meetings unless communicated in writing differently to the Designated Operator. Committee Representatives shall serve at the pleasure of the appointing Party and may be removed at any time by their appointing Party, with or without cause; provided, however, that the Parties acknowledge and agree that continuity of the Committee Representative is important to the overall effectiveness of the Systemwide Committee, and the Parties shall take all actions reasonably necessary to ensure such continuity.

2.3 **Committee Chairperson**. The Systemwide Committee chairperson shall be (a) the Committee Representative of the Designated Operator who is present at any given Systemwide Committee meeting and (b) the presiding officer at the Systemwide Committee meetings.

2.4 **Quarterly Meetings**. Unless determined differently by the Designated Operator, the Systemwide Committee shall meet quarterly at the same time and place as the quarterly meetings of the administrative committees established under the JTM Agreement and WIP Agreement for the purpose of performing the functions set forth in Section 2.1 of this Systemwide Agreement. The Designated Operator will arrange for more frequent meetings either on an as-needed basis or if requested by an affirmative vote, as described next in Section 2.5, of the Committee Representatives. All meetings of the Systemwide Committee shall be noticed, agendized, and conducted in accordance with the Ralph M. Brown Act at Government Code Section 54950 et seq.

2.5 **Voting Requirements.** Each Committee Representative is allowed one vote per decision or direction. Except for decisions and directions by the Systemwide Committee described in Section 9.6 (Dispute Resolution), any decisions or directions by the Systemwide Committee must be made or given by affirmative vote of a majority of the Committee Representatives so long as the majority vote is more than 50 percent of the capacity ownership provided in Table 1 below.

3. CAPACITY OWNERSHIP FOR SYSTEMWIDE COSTS AND VOTING.

For each Party, the capacity ownership for Systemwide Costs and voting are provided here in Table 1.

TABLE 1

CAPACITY OWNERSHIP

FOR

SYSTEMWIDE COSTS AND VOTING

Party	Capacity (%)
ETWD	0.23
IRWD	0.58
SMWD	6.00
SCWD (O.B.O. San Diego End Users)[3] State Parks Camp Pendelton (USMC) SONGS (Edison)	8.61 0.23 0.59 7.79
SCWD	20.74
MNWD	25.90
CSC	37.94
TOTAL	**100.00**

4. SYSTEMWIDE COSTS

"Systemwide Costs" are collectively the sum of (i) Systemwide Administrative Costs, (ii) Systemwide O&M Costs, (iii) Systemwide Capital Improvement Costs, and (iv) non-budgeted emergency repairs, which are all defined next. No Party shall be liable for the obligations, liabilities, or debts of any other Party except as expressly provided in this Systemwide Agreement.

[3] SCWD is contractually obligated to provide this capacity to the San Diego End Users via certain San Diego Agreements.

4.1 **Systemwide Administrative Costs.** Systemwide Administrative Costs consist of the following for the benefit of the Systemwide Facilities:

(a) costs for (i) labor including but not limited to actual salaries and benefits, post-employment benefits, and (ii) services including but not limited to legal, insurance, accounting, auditing, human resources, purchasing, information technology, environmental health and safety, and administrative support; and/or

(b) the cost of contracted labor and/or services.

4.1.1 *Billing for Systemwide Administrative Costs*. Except for legal and consultant time, the Designated Operator will bill the Parties in 1/4-hour increments for no less than one hour for systemwide services provided on any given day unless the Designated Operator requests a different daily minimum from the Systemwide Committee and the Systemwide Committee approves the different minimum by an affirmative vote of the Committee Representatives. To compensate the Designated Operator for providing, but not billing administrative services under an hour, the Designated Operator will bill a $15,000 annual assessment, which assessment will increase (but never decrease) by the consumer price index for the Los Angeles/Long Beach/Anaheim area for each Fiscal Year, and the Parties will pay their share of the assessment according to Table 1.

4.2 **Systemwide O&M Costs**. "Systemwide O&M Costs" consist of the following to operate and maintain the Systemwide Facilities:

(a) the cost to the Designated Operator of necessary direct labor and benefits for operation and maintenance activities
(b) all repair or replacement items;
(c) the cost of necessary supplies and materials;
(d) the costs of necessary utilities such as electrical, gas, water, sewer, and communications;
(e) the cost of items in inventory;
(f) the cost of vehicles and equipment at current lease/rental rates and/or purchase price;
(g) the cost of asset management, GIS, and SCADA systems and programs; and,
(h) the cost of contracted services (i) for the above-listed items (a)-(g) and/or (ii) authorized by this Systemwide Agreement, the Systemwide Committee, or the governing body of the Designated Operator.

4.2.1 *Allocation of Systemwide O&M Costs*. Each Party shall pay the Designated Operator its share of the Systemwide O&M Costs in accordance with Table 1.

4.2.2 *Payment of Systemwide O&M Costs*. The Designated Operator shall bill each Party on a semi-annual basis for its share of estimated Systemwide O&M Costs based on approved budget estimates. Each Party shall pay its share of estimated Systemwide O&M Costs within thirty (30) days of the date of such billing. Simple interest at the rate of 10% per annum from the delinquent date will be added to any unpaid balance until receipt of the balance by the Designated Operator. The actual Systemwide O&M Costs, which will be determined on an annual basis per audited actuals (after the audit is complete), will be used to reconcile the estimated Systemwide O&M Costs. The difference, if any, between the estimated Systemwide O&M Costs and the actual Systemwide O&M Costs will either be, as applicable, refunded back to each Party or invoiced to each Party.

4.2.3 *Disputed Systemwide O&M Costs*. Nothwithstanding any discrepancies regarding an audit, each Party has 30 days from receipt of billing by the Designated Operator to dispute the correctness of any billing; otherwise, each Party waives the right to dispute such billing. Any Party disputing the correctness of any billing by the Designated Operator agrees to pay the billing under protest and such payment will be without prejudice to the rights of such Party to continue protesting said billing. The dispute will be resolved in accordance with Section 9.6 below. If the dispute is subsequently resolved in favor of such Party, the Designated Operator agrees to refund the disputed amount owed to the Party along with interest at the Local Agency Investment Fund (LAIF) Rate on the overages from the date of payment to the date of refund of such amount.

4.3 **Systemwide Capital Improvement Costs**. "Systemwide Capital Improvement Costs" are defined to mean all necessary capital improvements, repairs (not including emergency repairs discussed below), adjustments and replacements to the Systemwide Facilities, including depreciation, obsolescent charges, reserves thereof, or amortization of intangibles or other bookkeeping entries of a similar nature that are identified in the approved budget.

4.3.1 *Payment of Systemwide Capital Improvement Costs*. Systemwide Capital Improvement Costs for improvements of Systemwide Facilities will be paid by each Party in proportion to its Systemwide Capacity-Owner Percentage set forth in Table 1. For Systemwide Capital Improvement Costs over $100,000, the Designated Operator will present such costs to the Systemwide Committee for approval. For Systemwide Capital Improvement Costs at or under $100,000, the Designated Operator will present such costs to the Designated Operator's governing body for approval if required by the Designated Operator's purchasing/procurement policy.

4.3.2 *Procedure for Paying Systemwide Capital Improvement*. The Designated Operator will bill the Parties for Systemwide Capital Improvement Costs on a semi-annual basis. Each Party shall pay its share of estimated Systemwide Capital Improvement costs within thirty (30) days of the date of such billing. Simple interest at the rate of 10% per annum from the delinquent date will be added to any unpaid balance until receipt of the balance by the Designated Operator. The actual Systemwide Capital Improvement costs, which will be determined on an annual basis per audited actuals (after the audit is complete), will be used to reconcile the estimated Systemwide Capital Improvement Costs. The difference, if any, between the estimated Systemwide Capital Improvement Costs and the actual Systemwide Capital Improvement Costs will be, as applicable, refunded back to each Party or invoiced to each Party.

4.4 **Non-Budgeted Emergency Repairs**. If there is a need for non-budgeted emergency repairs to protect public health and safety and/or the environment, and/or to preserve continuous operation of the Systemwide Facilities, the Designated Operator may, in its sole and reasonable discretion, immediately commence and complete the emergency repairs. The Designated Operator will (i) notify the Parties to this Systemwide Agreement of the emergency repairs within three working days of such repairs and (ii) agendize the costs of the emergency repairs to the Systemwide Committee for ratification at the next regularly scheduled meeting of the Systemwide Committee.

4.4.1 *Procedures for Paying Non-budgeted Emergency Repairs*. The Designated Operator will invoice each Party for the non-budgeted emergency repairs in accordance with Table 1. Non-budgeted emergency repairs will be invoiced as soon as costs are reasonably estimable and such invoices are due within 30 days of invoicing. Simple interest at

the rate of 10% per annum from the delinquent date will be added to any unpaid balance until receipt of the balance by the Designated Operator.

5. SYSTEMWIDE BUDGETS; ACCOUNTING

5.1 **Annual Systemwide Budget**. The Designated Operator shall prepare an annual systemwide budget, which shall estimate expenditures necessary for Systemwide Costs. The systemwide budget shall be prepared in sufficient detail to constitute an operating outline of (a) expenditures to be made during the ensuing fiscal year (commencing July 1 and ending on June 30 ("Fiscal Year")) and (b) the monetary contributions to be made by the Parties in accordance with Table 1 above.

5.2 **Proposed Systemwide Budget**. The Designated Operator will submit a proposed systemwide budget ("Proposed Systemwide Budget") to the Parties for their review by April 1st of each year. The Proposed Systemwide Budget is subject to approval by the governing bodies of the Parties, and until such approval, the Proposed Systemwide Budget shall constitute a proposed budget.

5.3 **Proposed Systemwide Budget Approval Process**. An affirmative vote of the Systemwide Committee Representatives, as described above in Section 2.5, is required to recommend for approval a Proposed Systemwide Budget to the Parties' governing bodies. If such an affirmative vote of the Systemwide Committee Representatives does not recommend a Proposed Systemwide Budget, the Proposed Systemwide Budget shall be presented to the Systemwide Committee for re-study and possible revision. If a Proposed Systemwide Budget is not recommended for approval prior to the start of a Fiscal Year, the Designated Operator may continue to operate at the level of expenditure authorized by the last approved budget and the Parties shall pay their pro rata portion, as provided in Table 1 above, of the last approved budget to the Designated Operator.

5.4 **Budget Deposits**. Each Party shall pay to the Designated Operator its proportionate share, as provided in Table 1 above, of the approved budget.

5.5 **Restricted Account**. Funds paid by each Party and deposited with the Designated Operator pursuant to this Systemwide Agreement shall be expended only for the

purposes expressed in this Systemwide Agreement and the budget. Funds shall be deposited in restricted, interest-bearing accounts corresponding to each category of costs designated herein (e.g., Systemwide O&M, Systemwide Administrative, Systemwide Capital Improvement, and non-budgeted emergency repair Costs) as described in this Systemwide Agreement.

6. REPORTING REQUIREMENTS

6.1 **Books and Accounts**. The Designated Operator shall maintain full and accurate books and accounts in accordance with the practices established by, or that are consistent with, those utilized by the Controller of the State of California for public agencies. Such books and accounts shall be maintained based on the Fiscal Year.

6.2 **Audit**. The books and accounts shall be audited annually by an independent certified public accountant and the audit report shall be presented to the Systemwide Committee at the next regularly noticed quarterly meeting after receipt of the audit by the Designated Operator. In addition, any Party shall have the right, at its sole cost and expense, to audit such books and accounts at any reasonable time.

6.3 **Excess Deposit Amounts**. Any amounts remaining on deposit at the end of the audit shall be credited to the account of the Party(ies) making such deposits for the subsequent Fiscal Year budget deposits; provided, at the request of any Party, such excess deposit amounts shall be returned to the requesting Party.

6.4 **Reports**. Throughout the term of this Systemwide Agreement, the Designated Operator shall provide the following written reports:

6.4.1 *Quarterly Activities Report*. On a quarterly basis, the Designated Operator shall submit a written report to the Systemwide Committee that includes, but is not limited to, a summary of the systemwide maintenance activities, repairs, replacements, and improvements.

6.4.2 *Annual Audit Report*. See Section 6.2 above.

6.4.3 *Periodic Reports*. From time to time, the Designated Operator shall provide the Parties with such other reports as may be reasonably requested by the Systemwide Committee.

7. INSURANCE REQUIREMENTS

7.1 **Operations Insurance**. With respect to the Systemwide Facilities, the Designated Operator shall, at the Parties' expense, furnish and maintain throughout the term of this Systemwide Agreement comprehensive or commercial general liability insurance, including personal injury and property damage (fire, flood, other standard perils; exclusive of earthquake) and automobile liability insurance with the same limits, deductibles/self-insured retention, and terms and conditions as the Designated Operator has in effect for its own operations.

7.2 **Additional Named Insureds**. The Parties and their respective officers, directors, employees, and agents shall be additional named insureds under the policy or policies of such insurance.

7.3 **Costs and Allocation of Costs**. The cost of such insurance shall be considered a Systemwide Administrative Cost and allocated among the Parties pursuant to Table 1 above; provided, only costs incurred by the Designated Operator for insurance coverage regarding the Systemwide Facilities, which exceed amounts otherwise payable by the Designated Operator for insurance in effect for its own facilities, shall be so allocated and paid by the Parties.

8. LIMITATION OF LIABILITY; INDEMNIFICATION.

8.1 **Limitation of Liability and Indemnification**. The Designated Operator shall not be liable to the other Parties for (a) any physical damage to Systemwide Facilities, or (b) any monetary damage if such physical or monetary damage is caused by earthquake, flood, fire, explosion, riot, revolution, civil disturbance, war, other acts of God, or other causes beyond the reasonable control of the Designated Operator; provided that the Designated Operator shall (i) use reasonable efforts, within its sole and reasonable discretion, to mitigate such damages, and (ii) be liable for its pro rata share provided in Table 1 above.

8.2 Additionally, the Designated Operator shall not be liable or responsible to the other Parties or any third party, except for its pro rata share provided in Table 1 above, for (c) any

other damages caused by or arising from (i) Designated Operator's performance under this Systemwide Agreement, or (ii) the Designated Operator's operation of the Systemwide Facilities; provided, however, the Designated Operator shall defend and indemnify each of the other Parties, along with each Party's officers, directors, employees, and agents, against, and assume and pay all costs of the other Parties for claims or damages resulting from the gross negligence or willful misconduct of the Designated Operator or its agents and/or employees. Should the Designated Operator not comply with any provision of this Systemwide Agreement due to its gross negligence or willful misconduct, the Designated Operator shall defend and indemnify, and assume and pay all costs of the other Parties resulting therefrom, if not otherwise paid by insurance, including but not limited to the costs of repair, personal or property damage resulting therefrom, as well as any fines levied against the Designated Operator or the other Parties by any local, state, or federal governmental regulatory agency. Any such amounts may be deducted from the Designated Operator's reimbursement for operation of the Systemwide Facilities if not otherwise paid from insurance proceeds. If the reimbursement is not sufficient to pay the amounts due within 12 months, then the Designated Operator shall pay all amounts due to the Parties on or before the end of the 12th month.

8.3 **Apportionment of Non-Indemnified Costs**. All costs for which the Designated Operator has no indemnity obligation pursuant to this Section 8 shall be apportioned among the Parties (including the Designated Operator) based on the Systemwide Capacity Percentages in Table 1 for non-indemnified costs incurred on a systemwide basis.

9. GENERAL PROVISIONS

9.1 **Successors and Assigns**. This Systemwide Agreement shall be binding on the successors and/or assigns of the respective Parties. No Party shall assign any rights or obligations under this Systemwide Agreement without an affirmative vote of the Committee Representatives as described in Section 2.5 above.

9.2 **Further Acts**. Each Party shall execute and deliver all documents and perform all further acts that may be reasonably necessary to carry out this Systemwide Agreement.

9.3 **Amendments**. No amendment to this Systemwide Agreement shall be valid unless in writing and signed by the Parties.

9.4 **Attorneys Fees**. If an action is commenced by any Party to this Systemwide Agreement to enforce or interpret its rights or obligations arising from this Systemwide Agreement, the prevailing Party in such action, in addition to any other relief and recovery awarded by the court, shall be entitled to recover all reasonable attorney's fees and costs.

9.5 **Notice**. Any notice provided for herein shall be given in writing and transmitted by personal delivery or prepaid first class mail, addressed as follows, which address may be changed from time to time upon direction of the Parties:

SOUTH COAST WATER DISTRICT	South Coast Water District 31592 West Street Laguna Beach, CA 92651 Attn: General Manager
MOULTON NIGUEL WATER DISTRICT	Moulton Niguel Water District 26161 Gordon Road Laguna Hills, CA 92653 Attn: General Manager
IRVINE RANCH WATER DISTRICT	Irvine Ranch Water District 15600 Sand Canyon Avenue Post Office Box 57000 Irvine, CA 92619-7000 Attn: General Manager
SANTA MARGARITA WATER DISTRICT	Santa Margarita Water District 26111 Antonio Pkwy Las Flores, CA 92688 Attn: General Manager
EL TORO WATER DISTRICT	El Toro Water District Post Office Box 4000 Laguna Hills, CA 92654 Attn: General Manager
CITY OF SAN CLEMENTE	City of San Clemente 910 Calle Negocio San Clemente, CA 92673 Attn: Public Works Director

If the Parties agree to accept electronic service, service of any notice may be effectuated by email to an email address provided by the Party.

9.6 **Dispute Resolution**.

9.6.1. *Good Faith Negotiations*. Disputes regarding the interpretation or application of any provision of this Systemwide Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations or mediation between or among the disputing Parties. The disputing Parties shall state their positions in writing and present their written statements ("Notice of Dispute") to the other disputing Parties. Upon receipt of a Notice of Dispute, the Parties shall meet and confer in good faith regarding such dispute, during which time the Parties will continue other non-disputed rights and obligations under this Systemwide Agreement until the dispute is resolved. If the Parties are unable to resolve the dispute within sixty (60) days (unless otherwise extended by the Parties in writing), then any disputing Party may request mediation to mediate the dispute by providing to the other disputing Parties a (i) Notice to Mediate and (ii) claim in accordance with Section 810 et. seq. of the Government Code. If the 60 days elapse without a disputing Party fulfilling (i) and (ii), then the disputing Parties (a) waived their claim and the claim amount provided in their Notice of Dispute and (b) are precluded from submitting the Notice to Mediate and claim under (i) and (ii).

9.6.2. *Mediation*. Any disputed portion of the claim, as identified by the disputing Party in writing, shall be submitted to nonbinding mediation, with the disputing Parties sharing the mediation costs equally. The disputing Parties shall mutually agree to a mediator within 60 days after the Notice to Mediate. If the disputing Parties cannot agree upon a mediator, then the mediation/arbitration company shall select a mediator within 120 days after the Notice to Mediate. Mediation shall commence within 90 days of the selection of a mediator unless the disputing Parties agree in writing otherwise. If mediation does not resolve the disputed portion of the claim to the satisfaction of the disputing Parties, then any disputing Party may file a legal action in accordance with Section 9.6.3.

9.6.3. *Judicial Reference*. Pursuant to California Code of Civil Procedure Sections 638 et seq., any disputed portion of the claim, as identified by the disputing Party in writing, shall be resolved by judicial reference in Orange County, California. The judicial referee shall determine all issues in dispute, whether of fact or of law, and to report a statement of decision. This is a waiver of any right that may exist to a jury trial, but the right to appeal is

preserved. The Parties shall meet to select the referee no later than thirty (30) days after service of the initial complaint on all defendants named in the complaint. The referee must have substantial experience in the type of matter in dispute and without any relationship to either Party, unless the Parties agree in writing otherwise. All costs incurred in connection with the judicial reference proceeding, including the cost of the stenographic record, shall be advanced equally by the disputing Parties. However, the referee shall have the power to reallocate such costs among the disputing Parties in the referee's statement of decision.

9.7 **Severance**. If any provision, condition or covenant of this Systemwide Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the voided provision, condition or covenant shall be deemed severed from the remaining provisions of this Systemwide Agreement, which shall remain valid and enforceable to the full extent permitted by law, and the Parties shall negotiate in good faith to replace the unenforceable provision(s) in accordance with the original purpose and intent of this Systemwide Agreement as set forth in the Recitals.

9.8 **Integration**. Except for the JRWSS Agreements, this Systemwide Agreement constitutes the entire Systemwide Agreement and supersedes all prior agreement(s) and understandings, both written and oral, among the Parties with respect to the subject matter hereof.

9.9 **Recitals**. The Recitals of this Systemwide Agreement are true and correct.

9.10 **Calendar Days.** All references to the term "days" in this Systemwide Agreement unless otherwise specified shall mean calendar days. If the last day for the performance of any act provided or required by this Systemwide Agreement is a holiday, Friday, Saturday, or Sunday, then that period is hereby extended to and including the next day that is not a holiday, Friday, Saturday, or Sunday.

9.11 **Waiver**. No waiver of any default by a Party or the Parties shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition.

9.12 **No Third Party Beneficiaries**. This Systemwide Agreement and the obligations hereunder are not intended to benefit any party other than the Parties, except as expressly provided otherwise herein.

9.13 **Governing Law and Venue**. This Systemwide Agreement shall be construed in accordance with and governed by the laws of the State of California. Any lawsuit brought in connection with this Systemwide Agreement shall be brought in the appropriate court in the County of Orange, California.

9.14 **Force Majeure**. Upon written notice by a Party, the respective duties and obligations of the Parties hereunder, except for the Parties' payment obligations, shall be suspended for the time period that performance of the Parties is prevented or impeded by work force strikes, riots, fire, flood, state or county regulatory action, war, or terrorism.

9.15 **Termination**. This Systemwide Agreement may be terminated by an affirmative vote of the Committee Representatives as described in Section 2.5 above.

9.16 **Electronic Signatures and Counterparts**. Any Party may execute this Systemwide Agreement using an "electronic signature," as that term is defined in California Civil Code Section 1633.2, or a "digital signature," as defined by California Government Code Section 16.5. An electronic or digital signature will have full legal effect and enforceability. This Systemwide Agreement may be executed in multiple counterparts, each of which is an original. All signatures taken together will be considered as one and the same agreement.

9.17 **Authority to Sign**. Each Party warrants that the person signing this Systemwide Agreement on its behalf is authorized to bind that Party to this Systemwide Agreement.

(Signatures on the following page)

SIGNATURE PAGE TO THE SYSTEMWIDE AGREEMENT

IN WITNESS WHEREOF, the Parties executed this Systemwide Agreement on the dates written below.

SOUTH COAST WATER DISTRICT, a County Water District formed and existing pursuant to Section 31000 et seq. of the California Water Code ("SCWD")

Dated: _____

By: _____

President, Board of Directors

MOULTON NIGUEL WATER DISTRICT, a California Water District formed and existing pursuant to Section 34000 et seq. of the California Water Code ("MNWD")

Dated: _____

By: _____

President, Board of Directors

IRVINE RANCH WATER DISTRICT, a California Water District formed and existing pursuant to Section 34000 et seq. of the California Water Code ("IRWD")

Dated: _____

By: _____

President, Board of Directors

SANTA MARGARITA WATER DISTRICT, a California Water District formed and existing pursuant to Section 34000 et seq. of the California Water Code ("SMWD")

Dated: _____

By: _____

Chairman, Board of Directors

EL TORO WATER DISTRICT, a California Water District formed and existing pursuant to Section 34000 et seq. of the California Water Code ("ETWD")

Dated: _____

By: _____

President, Board of Directors

CITY OF SAN CLEMENTE ("CSC")

Dated: _____ By: _____

Mayor

EXHIBIT "A"

(List of Eleven Agreements)

1. One day prior to the effective date of LAFCO Reorganization No. R099-07, Tri-Cities and SCWD entered the "Agreement for Transfer of Ownership of Miscellaneous Assets, Together with All Powers, Rights, and Duties of Tri-Cities Municipal Water District to South Coast Water District" ("Assets Agreement"), which is attached hereto as **Exhibit "1".**

2. One day prior to the effective date of LAFCO Reorganization No. R099-07, Tri-Cities, MNWD, IRWD, Capistrano Valley Water District ("CVWD"), ETWD, CSC, and SCWD entered the "Amended and Restated Joint Exercise of Powers Agreement to Operate and Maintain the Joint Transmission Main Facilities" ("JTM Agreement"), which is attached hereto as **Exhibit "2"**.

3. One day prior to the effective date of LAFCO Reorganization No. R099-07, Tri-Cities, CSC, and SCWD entered the "Joint Exercise of Powers Agreement to Operate and Maintain the Water Importation Pipeline" ("WIP Agreement"), which is attached hereto as **Exhibit "3".**

4. One day prior to the effective date of LAFCO Reorganization No. R099-07, Tri-Cities, SCWD, and the City of San Clemente entered the "Agreement to Transfer Ownership and to Operate and Maintain the Local Transmission Main Facilities and the Schlegel Reservoir" ("LTM Agreement"), which is attached hereto as **Exhibit "4"**.

THE SAN DIEGO AGREEMENTS

5. In March 2000, Tri-Cities, Edison, and the City of San Clemente entered the "Schlegel Reservoir Water Service Agreement and Assignment", which is attached hereto as **Exhibit "5"**.

6. One day prior to the effective date of LAFCO Reorganization No. R099-07, Tri-Cities, SCWD, and the State entered the "Water Service Agreement for San Onofre State Beach", which is attached hereto as **Exhibit "6"**.

7. One day prior to the effective date of LAFCO Reorganization No. R099-07, Tri-Cities, SCWD, and the Government entered into the "Water Service Agreement", which is attached hereto as **Exhibit "7"**.

8. On January 31, 2000, Tri-Cities, SCWD, and Edison entered the "Water Service Agreement", which is attached hereto as **Exhibit "8"**.

9. One day prior to the effective date of LAFCO Reorganization No. R099-07, Tri-Cities and the Authority entered the "Agreement for Transfer of the San Onofre Feeder", which is attached hereto as **Exhibit "9".**

10. On March 29, 2000, SCWD and the Authority entered the "Water Service Agreement and Lease of the San Onofre Feeder", which is attached hereto as **Exhibit "10"**.

11. On November 16, 2004, SCWD, Metropolitan Water District of Southern California, Municipal Water District of Orange County, and the Authority, entered a Letter Agreement, which is attached hereto as **Exhibit "11"**.

Exhibit “B”

Orange County Local Agency Formation Commission Resolution No. R099-07

dated January 26, 2000

Exhibit “A”

Transfer of Assets Agreement

AGREEMENT FOR TRANSFER OF OWNERSHIP OF MISCELLANEOUS ASSETS, TOGETHER WITH ALL POWERS, RIGHTS, AND DUTIES OF TRI-CITIES MUNICIPAL WATER DISTRICT TO SOUTH COAST WATER DISTRICT

THIS AGREEMENT, executed and effective as of the Effective Date, defined herein, is entered into by and between **TRI-CITIES MUNICIPAL WATER DISTRICT** ("TCMWD"), and **SOUTH COAST WATER DISTRICT** ("SCWD").

RECITALS

A. Each of the Parties is a public agency, and each is authorized and empowered to contract with the other.

B. Each of the Parties has the authority and power to own, operate, and maintain potable water pipelines, reservoirs, and appurtenant facilities within its respective boundaries.

C. Pursuant to Orange County Local Agency Formation Commission Reorganization No. RO99-07, it has been approved and ordered that TCMWD will be consolidated with Coastal Municipal Water District ("CMWD"), wherein CMWD becomes the legal successor-in-interest to TCMWD, and TCMWD ceases to exist effective March 31, 2000. CMWD will not be responsible for ownership or day-to-day operation of any water storage or transmission facilities presently owned and operated by TCMWD, but rather to have those transferred to other public agencies pursuant to separate Agreements.

D. In furtherance of the objectives of the Consolidation, the Parties hereto desire (i) to provide for the transfer of ownership of all miscellaneous assets, not otherwise provided for by separate agreements by and among other Parties, to SCWD; and (ii) to provide for the transfer of all other powers, rights, and duties of TCMWD, not otherwise provided for by separate agreements, to be effective on the Effective Date, to SCWD.

E. Separate Agreements have been approved and entered into by the affected agencies relating to all of the major water facilities currently owned and operated by TCMWD, together with Water Service Agreements for the end users of the TCMWD system.

NOW, THEREFORE, in consideration of the mutual benefits and of the mutual covenants herein provided, the Parties agree, for themselves and their successors-in-interest, as follows:

Section 1: TCMWD hereby conveys, transfers, and assigns all of the rights, title and interest which it presently owns in the following assets and liabilities, including but not limited to: furniture, fixtures, motor vehicles, equipment, bank deposits, other financial investments, accounts receivable, accounts payable and debt obligations, but not including its interest in other water system facilities provided for by separate agreement, including but not limited to, the Joint Transmission Main, the Local Transmission Main, the Water Importation Pipeline, the San Onofre Feeder, Brandt Reservoir, Schlegel Reservoir, and all the related facilities and appurtenances thereto, to SCWD. This transfer shall be effective on the Effective Date, without need for execution of, or further delivery of, Bill of Sale, Deed, or other document to transfer title.

Section 2: TCMWD does hereby transfer all written and oral contracts, licenses, permits, operational functions, and obligations to which it is a Party or is bound, to SCWD, the beneficial successor-in-interest, pursuant to the terms of separate Agreements between all affected agencies, and Orange County LAFCO Reorganization approval order as evidenced by LAFCO Resolution No. 99-07 and County Board of Supervisors Resolution No. 00-60.

Section 3: SCWD, as the beneficial successor-in-interest to the properties and interest transferred herein, shall henceforth carry out the powers, rights, duties, obligations, and functions of TCMWD, as created by operation of State law, enactment by SCWD, or by contract, insofar as said actions are not in conflict with the terms of any other Agreements between TCMWD and affected parties entered into pursuant to the Approval Order of Orange County LAFCO Reorganization RO99-07.

Section 4: SCWD, as the successor-in-interest pursuant to Agreements with other affected agencies, shall henceforth act to receive all benefits and undertake to perform all existing obligations relating to the described assets, properties, and facilities, whether by written or oral contract, license, permit, or other document or instrument of TCMWD.

Section 5: Notwithstanding the effect of California Government Code Section 57500, SCWD, as the successor-in-interest to TCMWD, pursuant to other Agreements, this Agreement, and Orange County LAFCO Reorganization approval order re Reorganization RO99-07, hereby receives for itself, accepts, affirms, and commits to carry out all relevant oral or written contracts, agreements, licenses, permits, applications, entitlements, awards, judgments, or other forms of benefits or obligations, existing by and between TCMWD and any other parties, individuals or individual property owners, governmental entities, agencies, or organizations; the same shall be performed as if entered into, granted to, awarded to, or executed directly by SCWD, upon review and determination that the same evidences a validly-existing benefit or obligation, binding upon or available to TCMWD.

Section 6: CMWD, as the legal successor to TCMWD, pursuant to Orange County LAFCO Reorganization approval order re Reorganization RO99-07, and pursuant further to the terms and conditions of those several separate Agreements relating to implementation of the Reorganization Order, does hereby accept and consent to the transfer of all assets, rights, duties, and obligations as set forth herein. Said acceptance and consent is duly executed by CMWD, and attached hereto as Exhibit "A", and incorporated herein by reference.

Section 7: Prior to the Effective Date, neither this Agreement, nor any duties or obligations of the Parties hereunder, shall be assigned without the prior written consent of the other Party. Subject to this provision regarding assignment, this Agreement shall be binding upon the successors and/or assigns of the respective Parties.

Section 8: No amendment or modification of this Agreement shall be valid unless in writing and signed by the Parties.

Section 9: If a dispute arises between the Parties about any rights or obligations provided in or related to this Agreement, the prevailing Party in any litigation commenced to resolve such dispute shall be entitled to its costs of litigation, including reasonable attorneys' fees.

Section 10: Any notice provided for herein shall be given in writing and shall be transmitted by personal delivery, prepaid first class mail of the United States Postal Service, or electronic transmission and delivery, with receipt confirmation, which address may be changed from time to time upon direction of a Party to the other:

South Coast Water District	31592 West Street Laguna Beach, Ca. 92651 Attention: General Manager
Tri-Cities Municipal Water District	851 Calle Agua San Clemente, Ca. 92672 Attention: General Manager

Section 11: This Agreement constitutes the entire, exclusive, final, and integrated statement of the terms of the Parties' agreement regarding the matters for which it provides. Accordingly, each Party acknowledges that, insofar as that Party had prior dealings with the other Party during negotiations, the Party specifically negates any legal effect of such prior dealings and negotiations and agrees to be bound by no other written or oral representations, warranties, obligations, assurances, conditions, covenants, or agreements, except as specifically provided in this Agreement.

Section 12: The Parties may, by mutual agreement, amend or modify this Agreement by a written amendment or modification duly executed and approved with the same formality as this Agreement.

Section 13: This Agreement shall remain permanently in full force and effect unless terminated, modified, or amended by mutual agreement of SCWD and CMWD.

Section 14: Effective Date. This Agreement shall be effective one day prior to the Effective Date of Reorganization No. 99-07.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.

TRI-CITIES MUNICIPAL WATER DISTRICT

By _____
President

ATTEST:

_____
Secretary

APPROVED AS TO FORM

By _____

SOUTH COAST WATER DISTRICT

By _____
President

ATTEST:

_____
Secretary

APPROVED AS TO FORM:

By _____

EXHIBIT "A"

ACCEPTANCE AND CONSENT OF COASTAL MUNICIPAL WATER DISTRICT TO THAT CERTAIN AGREEMENT FOR TRANSFER OF OWNERSHIP OF MISCELLANEOUS ASSETS, TOGETHER WITH ALL POWERS, RIGHTS, AND DUTIES OF TRI-CITIES MUNICIPAL WATER DISTRICT TO SOUTH COAST WATER DISTRICT

WHEREAS, the Orange County Local Agency Formation Commission ("LAFCO") Reorganization approval order re Reorganization RO99-07, provides for Tri-Cities Municipal Water District ("TCMWD") to be consolidated with Coastal Municipal Water District ("Coastal"), effective March 31, 2000, and further provides that, prior to the effective date, TCMWD shall transfer all of its assets to South Coast Water District ("SCWD"), by Agreement acceptable to Coastal.

NOW, THEREFORE, Coastal, as the legal successor to TCMWD, pursuant to Orange County LAFCO Reorganization approval order re Reorganization RO99-07, and pursuant further to the terms and conditions of those several separate Agreements relating to the implementation of the Reorganization Order, does hereby accept and consent to the transfer of all assets, rights, duties, and obligations as set forth in that certain "Agreement for Transfer of Ownership of Miscellaneous Assets, Together with All Powers, Rights, and Duties of Tri-Cities Municipal Water District to South Coast Water District", entered between TCMWD and SCWD, of which this acceptance and consent is attached thereto as Exhibit "A".

Dated this 12th day of ~~March~~ APRIL, 2000, at Laguna Bch, California.

COASTAL MUNICIPAL WATER DISTRICT

By _____
President, Board of Directors

ATTEST:

_____
Secretary

(SEAL)

Joint Transmission Main

AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT TO OPERATE AND MAINTAIN THE JOINT TRANSMISSION MAIN FACILITIES

This Agreement, executed in counterparts and effective as of the Effective Date defined hereinafter, is entered into by and between the TRI-CITIES MUNICIPAL WATER DISTRICT ("Tri-Cities"), MOULTON NIGUEL WATER DISTRICT ("MNWD"), IRVINE RANCH WATER DISTRICT ("IRWD"), CAPISTRANO VALLEY WATER DISTRICT ("CVWD/SJC"), EL TORO WATER DISTRICT ("ETWD"), CITY OF SAN CLEMENTE ("CSC") as a successor-in-interest to a portion of Tri-Cities' capacity interests in the Joint Transmission Main Facilities and SOUTH COAST WATER DISTRICT ("SCWD") as a successor-in-interest to a portion of Tri-Cities' capacity interests in the Joint Transmission Main Facilities (individually referred to as "Party" or collectively referred to as "Parties").

RECITALS

A. Each of the Parties is a public agency and each is authorized and empowered to contract with the other Parties for the joint exercise of powers under Article I, Chapter 5, Division 7, Title 1 of the California Government Code, Section 6500 *et seq*.

B. Each of the Parties has the authority and power to operate and maintain potable water pipelines and appurtenant facilities within (and in some cases, outside) their respective boundaries.

C. Each of the Parties is the owner, or will be the owner upon the Effective Date of this Agreement, of capacity rights, or other property rights, in the Joint Transmission Main ("JTM"), a domestic water pipeline that conveys and delivers water imported from the Metropolitan Water District of Southern California ("MWD"), and in related reservoir facilities, which together with the JTM are referred to in this Agreement as the "JTM Facilities". MNWD is the co-owner, with Tri-Cities, of the easements and rights-of-way for the JTM. The JTM extends from a point commonly known as the "Coastal Junction" of the East Orange County

Feeder No. 2, to and including the Dana Point Pressure Control Valve Structure, as approximately depicted on the map attached hereto as Exhibit "A" and made a part hereof (the JTM is referred to in this Agreement in some cases as the "pipeline" or "pipeline facilities").

D. On March 9, 1961, Tri-Cities and MNWD entered into a joint powers agreement for the joint construction and the operation of the JTM running from said Southerly or Southeasterly boundaries of MNWD to a point known as the "Y", which lies in the Northerly end of the boundaries of said MNWD, all as shown on Exhibit "A" attached hereto.

E. On September 11, 1961, MNWD, CVWD/SJC's predecessor-in-interest County Water Works District No. 4, and IRWD executed a joint powers agreement for the construction and operation of water transmission and distribution facilities through the balance of said JTM extending from said "Y" to a point known as Coastal Junction on the proposed East Orange County Feeder No. 2 owned by MWD, as shown on said Exhibit "A".

F. On February 16, 1977, certain of the above-mentioned Parties entered into the First Amendment to said joint powers agreement for the purpose of clarifying such Parties' capacity ownership interests in the JTM and further delineating the responsibilities of the parties in order to effect further operational efficiencies (the "1977 Agreement"; all references in this Agreement to the 1977 Agreement also include the 1961 agreements referred to in Recitals D and E above). Tri-Cities has been the operating entity for the JTM since 1961.

G. Pursuant to LAFCO Reorganization No. 92, approved by LAFCO Resolution No. 86-63 dated November 5, 1986, for which the Certificate of Completion was recorded by LAFCO on December 9, 1986, two cubic feet per second (2 cfs) of MNWD's capacity in the JTM (to the existing point of interconnection between the facilities of MNWD and ETWD, which is located at 24141 Moulton Parkway, Laguna Hills, Ca) was transferred to ETWD, contingent upon ETWD's payment of outstanding MNWD bonded indebtedness incurred to construct the 2 cfs of capacity. ETWD made payments for the bonded indebtedness in accordance with an agreed payment schedule; ETWD made the last payment in 1995. In addition, ETWD paid its portion of the yearly operation and maintenance expenses with respect

to the 2 cfs of capacity. Pursuant to an informal arrangement, ETWD previously allowed MNWD to use the 2 cfs of capacity for a limited time, with MNWD paying the corresponding proportionate share of operation and maintenance expenses during such time. MNWD no longer uses such capacity and so notified ETWD of same on or about October 16, 1997. The signatories to the 1977 Agreement and ETWD desire at this time to have ETWD become a Party to the amended and restated joint powers arrangement set forth in this Agreement.

H. Pursuant to LAFCO Reorganization No. RO99-07, in which it is proposed that Tri-Cities will be consolidated with Coastal Municipal Water District ("Coastal"), the Parties hereto desire to (i) designate a successor to Tri-Cities for operation and maintenance of the JTM Facilities, (ii) provide for the transfer of certain capacity rights in the JTM Facilities currently owned by Tri-Cities to the CSC and SCWD; and (iii) provide additional procedures for operating and maintaining the pipeline. This Agreement also re-states the capacity ownership of the JTM, and each Party's right to make use of the pipeline facilities, and also sets forth capacity rights and related obligations for the Bradt Reservoir which provides regulatory capacity for operation of the JTM. The Parties also intend to clarify the additional assets related to operation of the JTM Facilities which the Parties have previously funded pursuant to the existing joint powers arrangement. These assets will remain under the ownership and control of the JTM Facilities participants. This Agreement is intended by the Parties to supersede and replace the 1977 Agreement as of the "Effective Date", defined in Recital I and Section 9.1, below.

I. It is anticipated Coastal will be the legal successor-in-interest to Tri-Cities under LAFCO Reorganization No. RO99-07; provided, pursuant to this Agreement, certain capacity interests owned by Tri-Cities, including those it owns with respect to the JTM Facilities, shall be apportioned between CSC and SCWD, effective the date of Tri-Cities' consolidation with Coastal under LAFCO Reorganization No. RO99-07.

This Agreement will be deemed effective one day prior to the effective date of LAFCO Reorganization No. RO99-07 (the "Effective Date").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits and of the mutual covenants herein provided, the Parties agree, for themselves and their successors-in-interest, as follows:

I. TRANSFER/RESTATEMENT OF CAPACITY RIGHTS

1.1 Pipeline Capacity Transfers to CSC, SCWD. Tri-Cities hereby transfers the cfs of capacity which it presently owns in the JTM, set forth in detail in Table 1 below, to CSC and to SCWD, and CSC and SCWD each respectively accept such transfer, and assume all rights, duties and responsibilities in connection with such transferred capacity, whether set forth in this Agreement, or as otherwise set forth by contract or by law. On the Effective Date, Tri-Cities shall quitclaim its easement and right-of-way interests for the JTM to SCWD and CSC jointly, such quitclaim to be recorded on the Effective Date. SCWD, CSC and MNWD shall hold such easements and rights-of-way in trust, for the benefit of all the Parties. The capacity transfers to SCWD labeled "San Diego cfs" in Table 1 are subject to the following condition: in the event SCWD is (1) no longer the potable water supplier by way of service arrangements with San Diego County Water Authority (or its successor) to Southern California Edison/SONGS and/or Camp Pendleton and/or State of California/State Parks Department; and (2) any of such San Diego public agency/public utility entities named in (1) (or their successors) no longer receive potable water service through the JTM Facilities, then the relevant "San Diego cfs" of capacity will be allocated proportionally between, and owned by, SCWD and CSC, with SCWD allocated 30% of such capacity and CSC allocated 70% of such capacity. SCWD and CSC each respectively agree to assume all associated duties and obligations in connection with the San Diego cfs capacity so allocated to them. The Parties agree to further review the allocation of the San Diego cfs capacity in advance of the anticipated shutdown of the San Onofre Nuclear Generating Station, which Southern California Edison/SONGS anticipates could extend to the year 2023 or later.

1.2 Pipeline Facilities. The capacity rights of the Parties in the hereinafter described reaches of the JTM shall be on the basis of the percentage of the total capacity as specified in the column designated "Capacity-Owner Percentage," in each designated reach listed in Table 1 below:

TABLE 1

JTM CAPACITY OWNERSHIP

Location of JTM	Participants	Capacity cfs	Capacity-Owner Percentage
Unit 1, Reach 1 Coastal Junction to Laguna Canyon Road	CSC SCWD SCWD/San Diego cfs MNWD ETWD CVWD/SJC IRWD	14.78 6.34 2.28 43.0 2.0 15.0 5.0	16.72% 7.17% 2.58% 48.64% 2.26% 16.97% 5.66%
TOTAL		88.4	100%

Location of JTM	Participants	Capacity cfs	Capacity-Owner Percentage
Unit 1, Reach 2 Laguna Canyon Road to "Y"	CSC SCWD SCWD/San Diego cfs MNWD ETWD CVWD/SJC	14.78 6.34 2.28 43.0 2.0 15.0	17.72% 7.60% 2.74% 51.56% 2.40% 17.98%
TOTAL		83.4	100%

Location of JTM	Participants	Capacity cfs	Capacity-Owner Percentage
Unit 2, Reach 3 MNWD Boundary to First Distribution Takeout	CSC SCWD SCWD/San Diego cfs MNWD	14.78 6.34 2.28 39.0	23.69% 10.16% 3.65% 62.50%
TOTAL		62.4	100%

Location of JTM	Participants	Capacity cfs	Capacity-Owner Percentage
Unit 2, Reach 3 First to Second MNWD Distribution Takeout	CSC SCWD SCWD/San Diego cfs MNWD	14.78 6.34 2.28 27.0	29.33% 12.58% 4.52% 53.57%
TOTAL		50.4	100%

Location of JTM	Participants	Capacity cfs	Capacity-Owner Percentage
Unit 3, Reach 5 Second to Third MNWD Distribution Takeout	CSC SCWD SCWD/San Diego cfs MNWD	14.78 6.34 2.28 16.0	37.51% 16.09% 5.79% 40.61%
TOTAL		39.4	100%

Location of JTM	Participants	Capacity cfs	Capacity-Owner Percentage
Unit 3, Reach 6 Third to Fourth MNWD Distribution Takeout	CSC SCWD SCWD/San Diego cfs MNWD	14.78 6.34 2.28 5.0	52.04% 22.32% 8.03% 17.61%
TOTAL		28.4	100%

1.3 Bradt Reservoir - Operational Capacity.

Tri-Cities owns and operates the 48 million gallon (mg) Bradt Reservoir, which provides operational capacity in connection with the operations of the JTM. In accordance with past annual budgeting process, the Parties contribute repair and maintenance costs for the Bradt Reservoir, and additional amounts for related capital projects. The Designated Operator (as defined in Section 3.1) shall operate the Bradt Reservoir on a daily basis so as to provide the highest hydraulic gradient for operating the JTM in accordance with the needs of the Parties, while at the same time preserving sufficient capacity for surge control (referenced as the "Operational Storage" in Table 2 below), for the benefit of the Parties. The Operational Storage is integral to the continued successful operation of the JTM by the Parties; therefore, in addition to and not by way of limitation of those capacity rights set forth in Table 2 below, Tri-Cities and its successors and assigns hereby irrevocably grants to the other Parties to this Agreement a permanent, collective right to use the Operational Storage in conjunction with the water supply and operation and maintenance through the JTM.

1.4 Bradt Reservoir: Transfer/Restatement of Capacity Rights

(a) Reservoir Capacity Transfers to CSC, SCWD. Tri-Cities hereby transfers the million gallons (mg) of those defined capacities in the Bradt Reservoir set forth in detail in Table 2 below to CSC and SCWD, and City and SCWD each respectively accept such transfer, and assume all rights, duties and responsibilities in connection with such transferred capacity, whether set forth in this Agreement, or otherwise set forth by contract or by law. On the Effective Date, Tri-Cities shall quitclaim its fee title interest in the Bradt Reservoir to SCWD and CSC, jointly, such quitclaim to be recorded on the Effective Date. SCWD and CSC will hold fee title to the Bradt Reservoir in trust for the benefit of all the Parties. The capacity transfers to SCWD labeled "San Diego mg" in Table 2 are subject to the following condition: in the event SCWD is (1) no longer the potable water supplier by way of service arrangements with San Diego County Water Authority (or its successor) to Southern California Edison/SONGS and/or Camp Pendleton and/or State of California/State Parks Department; and (2) any of such San Diego public agency/public utility entities named in (1) (or their successors) no longer receive potable water service through the Joint Transmission Main Facilities, then the relevant "San

Diego mg" capacity will be allocated proportionally between, and owned by, SCWD and CSC with SCWD allocated 30 % of such capacity and CSC allocated 70 % of such capacity. SCWD and CSC each respectively agree to assume all associated duties and obligations in connection with the San Diego mg capacity so allocated to them. The Parties agree to further review the allocation of the San Diego mg capacity in advance of the anticipated shutdown of the San Onofre Nuclear Generating Station, which Southern California Edison/SONGS anticipates could extend to the year 2023 or later.

(b) Restatement of Reservoir Capacity. The capacity rights of all the Parties in the hereinafter specified capacity of the Bradt Reservoir shall be as set forth in Table 2 below.

TABLE 2

BRADT RESERVOIR CAPACITY OWNERSHIP

Participants	Operational Storage (mg)	Peak, Emergency, and Fire Storage (mg)	Dedicated Emergency Storage (mg)	Total Storage Capacity (mg)
SCWD	15.09% - 0.83	27.6% - 11.73	0	26.17% - 12.56
CSC	27.27% - 1.50	64.4% - 27.37	0	60.14% - 28.87
SCWD/San Diego cfs	5.64% - 0.31	8.0% - 3.4	0	7.73% - 3.71
IRWD	0 - 0	0 - 0	0	0 - 0
MNWD	42.73% - 2.35	0 - 0	0	4.90% - 2.35
ETWD	0 - 0	0 - 0	0	0 - 0
CVWD (City SJC)	9.27% - 0.51	0 - 0	0	1.06% - 0.51
TOTAL	100% - 5.5	100% - 42.5	0 0	100% - 48.0

1.5 Equipment Assets. The Parties agree that the vehicles and equipment listed in Exhibit "B" (the "Equipment Assets") have been funded with moneys paid by the Parties in accordance with the joint powers arrangement. The Parties desire to memorialize their continuing ownership of the Equipment Assets, which shall be owned in proportion to the Capacity-Owner Percentage set forth in Table 3 of this Agreement (See Section 2.2). All the Equipment Assets will be transferred to the Designated Operator under Section III hereof, who shall hold such assets in trust for the benefit of the Parties, to be used in connection with the operation and maintenance of the JTM Facilities.

II. ADMINISTRATIVE COMMITTEE

2.1 Committee Functions and Procedures.

(a) There is hereby created the "JTM Administrative Committee" (the "Committee"). The functions of the Committee will be to appoint a Designated Operator (as defined in Section 3.1) pursuant to Section III hereof; provide direction to the Designated Operator with respect to the operation, maintenance and repair of the JTM Facilities; review and approve the annual operating budget pursuant to Section VI of this Agreement; and otherwise administer this Agreement through actions or directions necessary for the continued efficient operation of the JTM Facilities.

(b) Each Party shall appoint one representative to the Committee concurrently with the execution of this Agreement by the appointing party. The identity of the appointed representative from each respective Party shall be promptly communicated to the Designated Operator. Appointed representatives to the Committee shall serve at the pleasure of the governing body of the appointing Party and may be removed at any time, with or without cause; provided, however, that the Parties acknowledge and agree that continuity of representation on the Committee is important to the overall effectiveness of the Committee, and the Parties further agree to take all actions reasonably necessary to ensure such continuity.

(c) The Committee shall meet quarterly for the purpose of reviewing and evaluating the management, operation and maintenance of the JTM Facilities, or performing any other functions set forth in this Section II. The Designated Operator will arrange for more frequent meetings on an as-needed basis or if requested by any of the Parties.

(d) (i) Unless otherwise set forth in this Agreement, in the event any decisions or directions must be made or given by the Committee, the affirmative vote of a majority of the Committee representatives attending the meeting at which the vote is taken will be required.

(ii) Any decisions to undertake repairs (except for those major repairs discussed in Section 5.2 of this Agreement), replacements or improvements, or new capital facilities related to the JTM Facilities at a cost in excess of $50,000 (on a per project basis), shall require an affirmative vote of Committee representatives who in the aggregate represent in excess of 50% of the Capacity-Owner Percentage in the JTM on a system-wide basis, as set forth in Table 3 below; provided, only those Committee representatives of Parties with financial responsibility for the reach(es) or section(s) of the JTM, or the Bradt Reservoir (See Table 2, column five), as applicable, at issue in the case of a repair/replacement/ improvement/ new facility decision may vote. The Parties each covenant to provide for the adequate operation and maintenance of the JTM Facilities through necessary repairs and replacements.

(iii) Any decision to appoint or terminate the Designated Operator shall require the affirmative vote of not less than two-thirds of all Committee representatives, with such affirmative votes also constituting in the aggregate in excess of 50% of the Capacity-Owner Percentage in the JTM on a system-wide basis, as set forth in Table 3 below.

2.2 Capacity Ownership: Equipment Assets Allocation/Voting. The Capacity-Owner Percentage in the JTM on a system-wide basis for each Party is set forth below in Table 3, as referred to above in Sections 1.5, and 2.1(d)(ii) and (iii) .

TABLE 3

EQUIPMENT ASSETS/VOTING ALLOCATION

Participants	JTM Capacity Owner Percentage System-Wide
MNWD	43.13%
IRWD	.98%
CVWD/SJC	10.01%
ETWD	.39%
CSC	28.73%
SCWD	12.33%
SCWD/San Diego cfs	4.43%
TOTAL	100%

III. OPERATIONS AND MAINTENANCE

3.1 Designation of Operator. Subsequent to the initial appointment hereunder of SCWD as provided in Section 3.9 hereafter, and in the event SCWD is no longer the Designated Operator hereunder, the Committee shall designate one of the Parties to be responsible for the day-to-day operation and maintenance of the JTM Facilities (the "Designated Operator") in accordance with the procedures governing the Committee set forth in Section II hereof. Upon the appointment of any Party as the Designated Operator, the newly appointed Designated Operator shall execute a certification in substantially the form of Exhibit "C" to this Agreement in order to expressly acknowledge and assume the obligations of the Designated Operator set forth in this Agreement.

3.2 Cooperation. To the end that the operation of the JTM Facilities will be maintained at the highest efficiency with the lowest costs, the Parties agree that they will confer with each other and pool their talents and abilities even though the Designated Operator will be the responsible operating agency.

3.3 Services to be Performed. Subject to all of the provisions of this Agreement, the Designated Operator shall operate and maintain the JTM Facilities in accordance with the following general provisions:

(a) In addition to the Equipment Assets, provide, or cause to be provided, all tools, equipment, vehicles, materials, supplies and qualified personnel necessary to manage, operate, maintain and repair the JTM Facilities.

(b) Receive water into the JTM Facilities and operate same, including service connections, in an efficient manner, and maintain the same in good working order and composition, all in accordance with recognized engineering practices.

(c) Operate the JTM Facilities, control devices and all meters and appurtenances, and read all meters at periodic intervals and account for all water delivered to the Parties. Specifically, the Designated Operator will read all JTM Facilities meters on the last working day of each month and report to Coastal and/or Municipal Water District of Orange County (MWDOC), or such other applicable wholesale entity, no later than the second working day of the following month, the total amount of water delivered to each Party. In the event of a discrepancy in meter readings showing a difference in water purchased and delivered to the respective Parties, said discrepancy is to be adjusted and allocated in proportion to the metered amount of water purchased by each Party.

The Parties agree to directly pay Coastal or MWDOC (or other applicable wholesale entity), for all water delivered to such Parties in accordance with the respective procedures of the wholesale entity. The amounts to be paid to the applicable wholesale entity for water delivery hereunder by the Parties shall be referred to as the "Water Delivery Charge". Any Party disputing the Water Delivery Charge on the basis of meter readings made by the Designated Operator shall comply with the procedures set forth in Section 4.3 of this Agreement, as well as any applicable procedures of the wholesale entity.

(d) Install necessary meters and appurtenances that may be required to account for and control the water delivered to each Party; provided, each Party will bear the full cost of each meter and all appurtenances installed for its sole use, and will share the cost of each meter and appurtenance installed for joint use in proportion to their Capacity-Owner Percentage for the applicable reach of the JTM as set forth above in Table 1.

(e) Strictly comply with the requirements of all permits and licenses and all applicable federal, state and county statutes, ordinances, rules and regulations governing the JTM Facilities. If such compliance is impossible for reasons beyond its control, the Designated Operator shall immediately notify the Parties of the fact and the reasons for noncompliance. In the absence of any superseding law, rule or regulation or term otherwise specified in this Agreement, the laws, rules and regulations applicable to and governing the Designated Operator shall apply to operations of the JTM Facilities.

3.4 Independent Contractor. The Designated Operator, in performance of the Designated Operator services hereunder, is an independent contractor and all employees of the Designated Operator are solely employees of the Designated Operator and not the agents or employees of the other Parties.

3.5 Contracting for Services. Subject to Section 5.2, except for emergency repairs to protect public health and safety, the Designated Operator shall obtain the prior approval of the affected Parties to (a) secure the services of any contractor for the purpose of performing repairs, or improvements, or for constructing new capital facilities or (b) to purchase replacement equipment, when the cost of either (a) or (b) exceeds $50,000 per contract or purchase. The necessary approval of the affected Parties shall be in accordance with the provisions of Section 2.1(d)(ii).

3.6 Work Stoppage. In the event the Designated Operator employees performing the duties required by this Agreement engage in any strike, work stoppage, work slowdown or any similar activity resulting in the interruption or cessation of the duties required to be provided by the Designated Operator, the Designated Operator shall use its best efforts to obtain additional or

replacement services to continue all required operations. During any such strike, work stoppage, work slowdown or any similar activity affecting the operation of the JTM Facilities, the other Parties may, without terminating this Agreement, assume the operation of the facilities through the use of the employees of any Party, or any independent contractor. No payment shall be made by the other Parties to the Designated Operator for work performed by the other Parties during such period. Upon resolution of any of the above described labor disputes, the Designated Operator shall resume its duties under this Agreement. The Designated Operator shall not be liable to the other Parties for any losses, direct or indirect, that may result to the other Parties as a result of such the Designated Operator employee work stoppage. The Designated Operator shall not be deemed to have breached this Agreement or any provision thereof, in the event it is unable, for the reasons discussed in this Section 3.6 to provide the services required under Section II of this Agreement.

3.7 Termination.

(a) The appointment of the Designated Operator may be terminated by the Committee without cause, or the Designated Operator may resign from the appointment, upon receipt of ninety (90) days' written notice by the Parties.

(b) The appointment may be terminated for cause by the Committee upon thirty (30) days' written notice to the Designated Operator with such notice including specifications of the operational deficiency(ies) giving rise to the termination for cause. Within such thirty (30) days, the Designated Operator may remedy the cause for termination, and the appointment may continue beyond the initial thirty (30) day period, provided the Committee finds the Designated Operator is diligently pursuing remedial steps to cure the noticed deficiency.

(c) Termination of the appointment of the Designated Operator pursuant to this Section 3.7 (a) or (b) shall not be subject to the arbitration provisions of Section 10.6 herein.

3.8 Compensation Upon Termination of Appointment or Resignation. In the event the appointment is terminated by the Committee, or the Designated Operator resigns the

appointment, under Section 3.7, the other Parties shall promptly reimburse the Designated Operator for the cost of tools, equipment and materials used exclusively by the Designated Operator to perform the duties required herein (except for the Equipment Assets), which expenditures would not have been incurred but for this appointment and which costs have not otherwise been paid as compensation to the Designated Operator. To the extent that such tools, equipment and/or materials are also used in connection with work not related to this appointment, an allocation of costs incurred shall be made in proportion to the time the tools or equipment were used or materials consumed on such other work and the work performed pursuant to this appointment. To the extent such payments are made by the other Parties to fully reimburse the Designated Operator for the cost of any tools, equipment or materials used exclusively (or allocated) to the JTM Facilities operations, such items shall thereafter belong to the Parties (including the Designated Operator to the extent of its interests) and the Designated Operator agrees to execute such documents as necessary to transfer title to the tools, equipment or materials purchased. The amount to be paid shall be determined as follows:

(a) First, by mutual agreement of the Parties;

(b) Second, if the Parties do not mutually agree within thirty (30) days after notice of termination is received, then by the independent certified public accountant or accountants regularly used for the JTM Facilities operations;

(c) Third, if the said accountant or accountants do not resolve the matter within sixty (60) days after the notice of termination is received, then by arbitration in accordance with Section 10.6 of this Agreement.

3.9 Designation of SCWD as Operator. In conjunction with the approval and execution of this Agreement, the Parties hereby designate SCWD to be the initial Designated Operator under this Agreement, and SCWD hereby accepts such appointment, and further agrees to carry out its responsibility in accordance with the terms and conditions of this Agreement.

SCWD shall commence the management, operation and maintenance of the JTM Facilities on the Effective Date. SCWD shall continue as the Designated Operator until such time as the Committee appoints a new Designated Operator following the termination or resignation of SCWD's appointment as the Designated Operator. Any re-appointment or termination of, or resignation by, SCWD as the Designated Operator shall be in accordance with the procedures set forth in Sections 2.1(d)(ii), (iii) and 3.7.

IV. OPERATIONS AND MAINTENANCE COSTS

4.1 Operations and Maintenance Costs - Defined. "Operations and Maintenance (O&M) Costs" shall be defined to be the necessary and actual costs of operating and maintaining the JTM Facilities based on sound accounting principles, including those expenses listed below, necessary to maintain and preserve the facilities in good repair and working order. O&M Costs do not include depreciation or any obsolescent charges or any reserves therefor, or amortization of intangibles or other bookkeeping entries of a similar nature. O&M Costs are, specifically, the sum of the following:

(a) the actual cost to the Designated Operator of necessary labor, such labor to include actual salaries and benefits, as well as legal, insurance, accounting and identifiable administrative services ("Administrative Costs").

(b) all repair or replacement items at a cost not in excess of $50,000 per item;

(c) the actual cost of necessary supplies and materials purchased in connection with the services (no mark-up);

(d) the costs of necessary utilities such as power, light and telephone;

(e) the standard cost of items in inventory;

(f) the cost of equipment at current rental rates; and,

(g) the cost of outside services for those above-listed items authorized by this Agreement or the Committee.

4.2 Allocation, Compensation. O&M Costs shall consist of two components: 'fixed costs' and 'variable costs'. Fixed costs are those O&M Costs that benefit the JTM Facilities and are incurred regardless of actual capacity use by the Parties. Fixed costs shall be allocated among the Parties and be paid by each Party based on the Capacity-Owner Percentage (JTM) set forth in Table 3, or the Total Storage Capacity (Bradt Reservoir) set forth in column five of Table 2. Variable costs are those O&M Costs not otherwise defined as fixed costs, and shall be allocated and paid by each Party in proportion to its actual water use. Each Party shall pay the Designated Operator as compensation for the Designated Operator's services hereunder its share of the O&M Costs in accordance with the procedure in Section 4.3.

4.3 Payment of Operations and Maintenance Costs. The Designated Operator shall bill each Party on or about the first day of each month in advance for its share of estimated O&M Costs based on approved budget estimates, as adjusted by the most current operational experience (in the case of variable costs). Each Party agrees to remit such amount within thirty (30) days of the date of such billing or to pay, in addition, simple interest at the rate of 10% per annum on the unpaid balance until receipt of the balance by the Designated Operator. Any Party disputing the correctness of any billing by the Designated Operator agrees to pay the billing under protest and such payment will be without prejudice to the rights of such Party to continue protesting said billing. If the dispute is subsequently resolved in favor of such Party, the Designated Operator agrees to refund the disputed amount owed to the Party along with interest at the LAIF Rate from the date of payment to the date of refund of such amount.

V. CAPITAL IMPROVEMENT/MAJOR REPAIR COSTS

5.1 Capital Improvement Costs Defined. Capital Improvement Costs are defined to mean all necessary capital improvements, repairs (including major repairs discussed below), adjustments and replacements to the JTM Facilities in excess of $50,000, including Administrative Costs in connection therewith. Capital Improvement Costs will be paid by each Party in proportion to its Capacity-Owner Percentage in each reach or section of the JTM, as set forth in Table 1 above; and with respect to the Bradt Reservoir, by each Party in proportion to its Total Storage Capacity Percentage as set forth in column five of Table 2. These costs, other than those costs considered to be for "major" repairs as set forth below in Section 5.2, will be paid in accordance with the procedure set forth in Section 5.2.

5.2 Major Repairs. In the event of the necessity for major repairs to preserve continuous operation of the JTM, or the Bradt Reservoir as applicable, the Designated Operator shall immediately convene a meeting of the Committee, or, if no such meeting is feasible, contact each of the Parties to this Agreement for approval of such repairs. If, after a reasonable time, the Parties, or any of them, fail to approve such major repairs, the Designated Operator is authorized to have such repairs made in order to preserve the continuous operation of the JTM Facilities, and each Party shall be liable for its share of the costs for such major repairs in proportion to its Capacity-Owner Percentage in each section or reach of the JTM (See Table 1), or if applicable, in proportion to the Total Storage Capacity Percentage in the Bradt Reservoir (See Table 2, column five).

The Capital Improvement Costs and major repair costs may be billed to the Parties by the Designated Operator in one lump sum, prior to awarding any contracts for such improvements or repairs, or on a monthly basis to coincide with progress payment schedules, at the Designated Operator's discretion. The Parties shall remit their share of the costs for Capital Improvement/major repairs to the Designated Operator within thirty (30) days of receipt of billing for such amounts. The Designated Operator shall account for all earnings on Capital Improvement/major repair deposit amounts in accordance with Section VI below.

VI. BUDGETS; ACCOUNTING

6.1 Annual Budget. The Designated Operator shall prepare and submit an annual budget to the Committee for its review, and thereafter (but no later than May 1) to each of the Parties for their review and approval. The budget shall estimate expenditures necessary for the O&M Costs, including Administrative Costs, and Capital Improvement Costs (inclusive of major repair costs). The budget shall be prepared in sufficient detail to constitute an operating outline of expenditures to be made during the ensuing fiscal year and the contributions to be made by the Parties. Each budget shall be approved by the Committee, subject to ratification by the governing bodies of the Parties. Until such time as the ratification process has been completed, the budget shall constitute a proposed budget.

6.2 Budget Approval Process. Each Party reserves the right to approve proposed budgets, but only to the extent that a budget may impose any financial responsibility on such Party. Such approval shall be evidenced by a certified copy of the resolution or minute order of the governing body of each Party, delivered to the Designated Operator.

If a Party fails or refuses to approve any budget, the budget shall be returned to the Committee for re-study and revision. In the event a budget acceptable to all of the Parties financially responsible thereunder is not obtained prior to the start of a fiscal year, the Designated Operator may continue to operate at the level of expenditure authorized by the last approved budget and the Parties shall be obligated to contribute their pro rata portion of the funding to the Designated Operator.

6.3 Budget Deposits. Each Party shall appropriate and deliver to the Designated Operator its proportionate share of the budget funds for O & M Costs, including Administrative Costs, on a monthly basis during the fiscal year, and within thirty (30) days after receipt of a billing therefor from the Designated Operator (see Section 4.3). Late deposit of such funds or payments for such costs shall bear interest at the LAIF Rate. Capital Improvement Costs and major repair costs under Section V of this Agreement shall be paid in accordance with the terms thereof.

6.4 Restricted Account. Funds appropriated by each Party and deposited with the Designated Operator pursuant to this Agreement shall be expended only for the purposes expressed in this Agreement and in the budget. Funds shall be deposited in restricted, interest-bearing accounts corresponding to each category of costs designated herein (e.g., O & M, Administrative, Capital Improvement and major repair Costs, and reserves (if any), as described in this Agreement), administered by the Designated Operator.

VII. REPORTING REQUIREMENTS

7.1 Books; Fiscal Year; Audit. The Designated Operator shall maintain full and accurate books and accounts in accordance with the practices established by, or that are consistent with, those utilized by the Controller of the State of California for public agencies. Such books and accounts shall be maintained on the basis of a fiscal year, commencing July 1 and ending on June 30. The books and accounts shall be audited annually by an independent certified public accountant and copies of each such audit report shall be delivered to each of the Parties no later than fifteen (15) days after receipt of the audit by the Designated Operator. In addition, any Party shall have the right, at its sole cost and expense, to audit such books and accounts at any reasonable time.

Any amounts remaining on deposit at the end of the audit shall be credited to the account of the Party(ies) making such deposits for the subsequent fiscal year budget deposits; provided, at the request of any Party, such excess deposit amounts shall be returned to the requesting Party.

7.2 Reports. Throughout the term of this Agreement, the Designated Operator shall provide the following written reports:

(a) Annual Activities Report. Not later than the sixtieth (60th) day after the end of each fiscal year, the Designated Operator shall submit a written report to the Committee that includes, but is not limited to, a summary of the year's maintenance activities, repairs, replacements and improvements.

(b) Annual Audit Report. See Section 7.1 above.

(c) Periodic Reports. From time to time, the Designated Operator shall provide the Parties with such other reports as may be reasonably requested by the Committee.

VIII. INSURANCE/INDEMNITY

8.1 Operations Insurance. With respect to the JTM Facilities, the Designated Operator shall at the Parties' expense furnish and maintain throughout the term of this Agreement comprehensive or commercial general liability insurance, including personal injury and property damage (fire, flood, other standard perils; exclusive of earthquake) and automobile liability insurance with the same limits, deductibles/self-insured retention and terms and conditions as the Designated Operator has in force for its other operations with respect to the Joint Transmission Main Facilities. The cost of such insurance shall be considered a fixed Administrative Cost, and allocated among the Parties based on JTM Capacity-Owner Percentage: System-Wide (See Table 3, above); provided, only costs incurred by the Designated Operator for insurance coverage with respect to the JTM Facilities which exceed amounts otherwise payable by the Designated Operator for insurance in force for its other operations shall be so allocated and paid by the Parties. The Parties and their respective officers, directors, employees and agents shall be additional named insureds under the policy or policies of such insurance.

8.2 Indemnification. The Designated Operator shall not be liable to the other Parties for any physical damage caused to any portion or reach of the JTM Facilities or for any monetary damage if such physical or monetary damage is caused by earthquake, flood, fire, explosion, riot, revolution, civil disturbance, war, other acts of God, or other causes beyond the control of the Designated Operator. Additionally, the Designated Operator shall not be liable or responsible to the other Parties or any third party for any other damages caused by or in connection with the Designated Operator's actions hereunder or in connection with the operation of the JTM Facilities performed by the Designated Operator, except, however, the Designated Operator shall defend and indemnify each of the other Parties hereto, along with each Party's officers, directors,

employees, and agents, against, and assume and pay all costs of the other Parties resulting from, claims or damages resulting from the gross negligence or the willful misconduct of the Designated Operator or its agents and/or employees. Should the Designated Operator not comply with any provision of this Agreement due to its gross negligence or willful misconduct, the Designated Operator shall defend and indemnify, and assume and pay all costs of the other Parties resulting therefrom, if not otherwise paid by insurance proceeds of policies provided pursuant to Sections 8.1, including but not limited to the costs of repair, personal or property damage resulting therefrom, as well as any fines levied against the Designated Operator or the other Parties by any local, state, or federal governmental regulatory agency. Any such amounts may be deducted from the Designated Operator's compensation for operation services hereunder if not otherwise paid from insurance proceeds. All costs for which the Designated Operator has no indemnity obligation pursuant to this Section 8.2 shall be apportioned among the Parties (including the Designated Operator) based on the JTM Capacity-Owner Percentage: System-Wide (See Table 3) or Total Storage Capacity Percentage (Bradt Reservoir), as applicable.

IX. EFFECTIVE DATE

9.1 Effective Date. This Agreement will be deemed to be executed and effective one day prior to the effective date of LAFCO Reorganization No. RO99-07 (the "Effective Date"). In the event LAFCO Reorganization No. RO99-07 is not completed on or before December 31, 2000, this Agreement shall be deemed null and void by all Parties hereto and the 1977 Agreement will remain fully operative.

9.2 1977 Agreement. The 1977 Agreement is superseded in its entirety by this Agreement as of the Effective Date.

X. GENERAL

10.1 Assignment. Neither this Agreement nor any duties or obligations of the Designated Operator hereunder shall be assigned by the Designated Operator. Subject to this provision regarding assignment, this Agreement shall be binding on the successors and/or assigns of the respective Parties.

10.2 Further Acts. Each Party to this Agreement agrees to execute and deliver all documents and perform all further acts that may be reasonably necessary to carry out the provisions of this Agreement.

10.3 Amendments. This writing constitutes the entire agreement between and among the Parties. No modification of this Agreement shall be valid, unless in writing and signed by the Parties.

10.4 Attorneys Fees. In the event an action is commenced by any Party to this Agreement to enforce or construe its rights or obligations arising from this Agreement, the prevailing Party in such action, in addition to any other relief and recovery awarded by the court, shall be entitled to recover all reasonable costs plus a reasonable amount for attorneys' fees.

10.5 Notice. Any notice provided for herein shall be given in writing and transmitted by personal delivery or prepaid first class mail, addressed as follows, which address may be changed from time to time upon direction of the Parties:

TRI-CITIES MUNICIPAL WATER DISTRICT	Tri-Cities Municipal Water District 851 Calle Agua San Clemente, California 92672 Attn: General Manager
MOULTON NIGUEL WATER DISTRICT	Moulton Niguel Water District 27500 La Paz Road Laguna Niguel, California 92677 Attn: General Manager

IRVINE RANCH WATER DISTRICT	Irvine Ranch Water District 15600 Sand Canyon Avenue Post Office Box 57000 Irvine, California 92619-7000 Attn: General Manager
CAPISTRANO VALLEY WATER DISTRICT/SJC	Capistrano Valley Water District/ City of San Juan Capistrano 32450 Paseo Adelanto Post Office Box 967 San Juan Capistrano, California 92693 Attn: Director Public Works
EL TORO WATER DISTRICT	El Toro Water District 24251 Los Alisos Blvd. Post Office Box 4000 Laguna Hills, CA 92654 Attn: General Manager
CITY OF SAN CLEMENTE	City of San Clemente 910 Calle Negocio San Clemente, CA 92673 Attn: Director of Public Works
SOUTH COAST WATER DISTRICT	South Coast Water District 31592 West Street Laguna Beach, CA 92651 Attn: General Manager

10.6 Arbitration Provision. Any controversy or claim between any two or more Parties to this Agreement, in respect to the JTM Facilities operations, or to any claims, disputes, demands, differences, controversies, or misunderstandings arising under, out of, or in relation to this Agreement, or any breach thereof, shall be submitted to and determined by arbitration. To the extent not inconsistent herewith, the rules of the American Arbitration Association shall apply. The Party desiring to initiate arbitration shall give notice of its intention to arbitrate to every other Party to this Agreement. Such notice shall designate as "respondents" such other parties as the initiating Party intends to have bound by any award made therein. Any Party not so designated but which desires to join in the arbitration may, within ten (10) days of service upon it of such notice, file a response indicating its intention to join in and to be bound by the results of the arbitration, and further designating any other parties it wishes to name as a respondent.

Within twenty (20) days of the service of the initial demand for arbitration, the American Arbitration Association, hereinafter referred to as "AAA" shall submit simultaneously to the initiating Party and to all parties named as respondents or filing a response therein, an identical list of names of persons chosen from the AAA National Panel of Arbitrators which persons shall be, to the extent possible, persons versed in the field of public water systems as well as general public law. Each Party to the dispute shall have fifteen (15) days from the mailing date in which to cross-off any names to which it objects, number the remaining names indicating the order of its preference, and return the list to the AAA. If a Party does not return the list within the time specified, all persons named therein shall be deemed acceptable. From among the persons who have been approved on both lists, in accordance with the designated order of mutual preference, the AAA shall invite the acceptance of an arbitrator to serve. If the Parties fail to agree upon one of the persons named, or if an acceptable arbitrator is unable to act, or if for any other reason the appointment cannot be made from the submitted list, the AAA shall have the power to make the appointment of the arbitrator from other members of the panel without the submission of any additional list.

The arbitrator shall determine the rights of the parties in accordance with the law, and the award shall be subject to review as to the arbitrator's application of the law by any court having jurisdiction thereof, whether or not any mistake of law shall appear upon the face of the award. As to all questions of facts, however, the determination of the arbitrator shall be binding upon all parties and shall be final. Any Party shall be entitled to written findings of fact and conclusions of law as to all issues determined by the award. Subject to the above limitations, the award shall be binding upon all parties to the arbitration and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

The arbitrator may, in his discretion, as part of the arbitration award impose upon any one Party or allocate among two or more of the parties, the liability for the arbitration fees and expenses. Such allocable fees may include the administration fees, fees for second and subsequent hearings, postponement fees and overtime fees. Allocable expenses may include the expenses of producing witnesses, the cost of stenographic records, the cost of any transcripts, travel expenses of the arbitrator and tribunal administrator, the expenses of any witnesses, the

costs of any proofs produced at the direct request of the arbitrator, and any other expenses relating directly to the arbitration. In the event of the failure of the arbitrator to provide for the allocation of such fees and expense, the arbitration fees shall be divided equally between the parties and the expenses shall be borne by the Party incurring them.

10.7 Severance. If any section, subsection, sentence or clause or phrase of this Agreement, or the application thereof, to any of the Parties or any other person or circumstances is for any reason held invalid, the validity of the remainder of the Agreement, or the application of such provision to the other Parties, or to any other persons or circumstances, shall not be affected thereby. Each of the Parties declares that it would have entered into this Agreement, and each section, subsection, sentence, clause or phrase thereto, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases, or the application thereof, to any Party or any other person or circumstance be held invalid.

10.8 Integration; Attachments. This Agreement constitutes the entire Agreement and supersedes all prior Agreement and understandings, both written and oral, among the Parties with respect to the subject matter hereof. The Exhibits attached hereto are incorporated into this Agreement.

10.9 Recitals/Calendar Days. The Parties agree the Recitals of this Agreement are true and correct, and are incorporated as part of this Agreement. All references to the term "days" in this Agreement unless otherwise specified shall mean calendar days.

10.10 Waiver. No waiver of any default by a Party or the Parties shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition.

10.11 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties under this Agreement.

10.12 Governing Law and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any lawsuit brought in connection with this Agreement shall be brought in the appropriate court in the County of Orange, California.

10.13 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

///

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first written above.

TRI-CITIES MUNICIPAL WATER DISTRICT

Dated: February 16, 2000

By: _____
President, Board of Directors

By: _____
Secretary, Board of Directors

MOULTON NIGUEL WATER DISTRICT

Dated: February 15, 2000

By: _____
President, Board of Directors

By: _____
Secretary, Board of Directors

IRVINE RANCH WATER DISTRICT

Dated: 2/29/2000

By: _____
President, Board of Directors

By: _____
Secretary, Board of Directors

CAPISTRANO VALLEY WATER DISTRICT

Dated: 1/18/2000

By: _____
Chairman, Board of Directors

Attest:

_____
Clerk

EL TORO WATER DISTRICT

Dated: 3/2/00

By: _____
President, Board of Directors

By: _____
Secretary, Board of Directors

CITY OF SAN CLEMENTE

Dated: 3-15-00

By: _____
Mayor

Attest:

_____
City Clerk

SOUTH COAST WATER DISTRICT

Dated: April 9, 2000

By: _____
President, Board of Directors

By: _____
Secretary, Board of Directors

TRI-CITIES MWD INVENTORY LIST
ADMINISTRATIVE OFFICE

JTM/Local	Description	Quantity	Total $ Value
JTM	Mapping Displays	8	800
JTM	Toshiba 2860 Copier	1	9,495
JTM	Toshiba TF831 Fax	1	2,395
JTM	5-drawer file cabinet	2	800
JTM	2-drawer file cabinet	5	1200
JTM	14" color TV/VCR	1	200
JTM	wooden book shelves	2	75
JTM	conference table	1	400
JTM	executive chairs	9	225
JTM	low backed side chairs	10	150
JTM	computer/desk chairs	2	300
JTM	binding machine	1	150
JTM	automated 3-hole punch	1	100
JTM	American & California flag, pole and stand	2	200
JTM	3-piece workstation	2	300
JTM	paper printing calculator	1	75
JTM	electronic calculators	2	50
JTM	Lucent phone 3-line phones	3	200
JTM	Pitney Bowes postage machine	1	1000
JTM	Overhead projector & screen	1	400
JTM	Sony Cassette tape recorder & transcriber	1	700
JTM	Brother label maker	1	50
JTM	Shredder	1	30
JTM	IBM Selectric Typewriter	1	500
JTM	Hewlett Packard 855C laser printer	1	1000
JTM	Hewlett Packard Laserjet 4M Plus printer	1	600
JTM	Epson 900 colored printer	1	500
JTM	HP Netserver with components	1	1350
JTM	Netserver racks	1	1000
JTM	Computer with accessories	3	3700
JTM	Miscellaneous stand alone tables	2	150
JTM	Computer table	1	60
JTM	Storge cabinets: mailing supplies, 1st aid presentation materials, office supplies, laser cartridges, toner, coffee supplies, etc.	2	2000
JTM	Presentation easel	1	75
JTM	Mini refrigerator	1	100
JTM	Fire extinguisher	1	100

EXHIBIT B

linda/spreadsheets/inventory1
Feb. 1999

TRI-CITIES MWD INVENTORY LIST
GARAGE

JTM/Local	Description	Quantity	Total $$ Value
Local	36" ductile iron flex couplings	2	700
Local	24" ductile iron flex couplings	2	500
Local	24" clamp couplings	2	100
Local	15" clamp couplings	1	500
Local	6" diameter 28" steel coupling	1	250
Local	6" diameter 26" steel coupling	1	250
Local	6" diameter 25" steel coupling	1	250
Local	6" diameter 18" steel coupling	1	250
Local	4" diameter 8" steel coupling	2	250
Local	8" butterfly valve	1	500
JTM	SCBA Scotts packs	2	350
JTM	SCBA Lifeair packs	1	150
JTM	6" gate valve	1	400
Local	4" gate valve	3	800
Local	10" water specialties turbine meter	1	1000
JTM	3" Homlite trash pump	1	1000
JTM	20" Zn anode bricks	5	500
JTM	2" air vac	3	200
JTM	Bristol chart recorder	1	250
JTM	Kubota AV3800 generator	1	1000
JTM	2" submersible pump	1	500
JTM	Industrial scientific TMX 412 gas detectors	2	1500
JTM	Metrotech 850, 8 watt radio pipe locator	1	3000
JTM	Ford F250 4WD truck w/hoist & tool rack, tools	1	14,600
JTM	99 Chevy 4x4 extended cab truck w/tool rack, tools	1	25,100
JTM	97 GMC Blazer	1	21,000
JTM	Trash Pump attachment hose	1	200
JTM	Pro-charger 900 Jump/starter system	1	175
JTM	1.5" fire hose	50 ft	1,000
JTM	Dewalt drill/driver kit	1	250
JTM	Manhole guard rail w/sign	1	300
JTM	Manhole cover hook	3	50
JTM	16" M2500 Mag Meter w/108 converter	1	6000
JTM	Commercial shelving w/ladder		3000
JTM	Fire extinguisher	1	100
JTM	First aid kits in vehicles	3	125

TRI-CITIES MWD INVENTORY LIST
YARD

JTM/Local	Description	Quantity	$$ Value
JTM	42" ccp steel (concrete cylinder pipe)	135 ft	300
JTM	39" ccp	50 ft	200
JTM	45" ccp	25 ft	300
JTM	36" ccp	105 ft	200
Local	30" ccp	47 ft	200
Local	27" ccp	40 ft	200
Local	18" ccp	14 ft	100
Local	24" dip (ductile iron pipe)	36 ft	50
JTM	36" dip	36 ft	75
Local	8" dip	18 ft	25
Local	24" acp (asbestos cement pipe)	110 ft	50
Local	20" acp	48 ft	35
Local	18" acp	4 ft	25
Local	14" acp	10 ft	20
Local	12" acp	16 ft	20
Local	8" acp	41 ft	20
Local	24" acp couplings	10	300
Local	20" acp couplings	7	300
Local	14" acp couplings	4	200
Local	8" acp couplings	8	50
Local	4" rockwell plug valve	1	500
JTM	Chlorine specialities chlorine repair kit B	1	1500

linda/spreadsheets/inventory4
Feb. 1999

TRI-CITIES MWD INVENTORY LIST
FIELD OFFICE

JTM/Local	Description	Quantity	Total $$ Value
JTM	TC Whisper Writer	1	200
JTM	OL400e Okidata laser writer	1	500
JTM	HP Laser Jet III Printer	1	500
JTM	Foldout conference table	1	50
JTM	14" color TV/VCR	1	200
JTM	40"x30" flat sheet file cabinets	3	400
JTM	Hach 2100P turbidity meter	1	500
JTM	Hach totals chlorine test	1	500
JTM	Hach chlorine test kit	1	500
JTM	Hach CO 150 conductivity meter	1	500
JTM	Hach EC10 portable pH meter	1	500
JTM	Micronet water meter data collector w/wand	1	4500
JTM	5' standard filing cabinets	3	800
JTM	RCA refrigerator	1	500
JTM	Small office desk	2	300
JTM	Large office desk	1	500
JTM	Computer desk	1	600
JTM	Computer chairs	3	350
JTM	Commercial shelving/desk/chair		2800
JTM	Nextel mobile phones	3	1,500
JTM	Hard-wired 2-way radios in vehicles	3	1,500
JTM	Lucent 3-line phones	3	300
JTM	SCADA System (computers, components)	System**	30,000
JTM	HPLaserjet 4000 printer		1,000
JTM	Panasonic 3000 LE series Printer		500
** Includes Micron laptop and Toshiba laptop			

linda/spreadsheets/inventory3
Feb. 1999

Exhibit "C"

Certification of Designated Operator

"By execution of this Certificate, the following as an authorized representative of [_____public agency_____] warrants and represents that by approval of its governing body on _____, ____, accepts [public agency]'s appointment as the "Designated Operator" under and pursuant to that certain agreement entitled "Amended and Restated Joint Exercise of Powers Agreement to Operate and Maintain the Joint Transmission Main Facilities", effective February 28, 2000 (the "Joint Powers Agreement"). [_____public agency_____] expressly acknowledges and assumes the rights, duties and obligations of the Designated Operator specified in the Joint Powers Agreement, including, but not limited to, the indemnity obligation set forth in Section 8.2 of the Joint Powers Agreement. This acceptance and assumption is effective as of the _____ day of _____, _____.

[Public Agency]

By: _____
Authorized Representative

Dated: _____

IMPORTED WATER SUPPLY SYSTEM



TRI-CITIES MUNICIPAL WATER DISTRICT

EXHIBIT A

Exhibit "C"

Certification of Designated Operator

"By execution of this Certificate, the following as an authorized representative of [South Coast Water District] warrants and represents that by approval of its governing body on March 2, 2000, accepts [public agency]'s appointment as the 'Designated Operator' under and pursuant to that certain agreement entitled "Amended and Restated Joint Exercise of Powers Agreement to Operate and Maintain the Joint Transmission Main Facilities", effective February 28, 2000 (the "Joint Powers Agreement"). [South Coast WAter District] expressly acknowledges and assumes the rights, duties and obligations of the Designated Operator specified in the Joint Powers Agreement, including, but not limited to, the indemnity obligation set forth in Section 8.2 of the Joint Powers Agreement. This acceptance and assumption is effective as of the 30 th day of March, 2000.

[Public Agency]

By: Michael P Flamboe

Authorized Representative

Dated: March 31, 2000

BAW&G/PBG/km/59073.3
12004 O 8.1 - 01/03/00 - Execution Copy

Water Importation Pipeline

JOINT EXERCISE OF POWERS AGREEMENT TO OPERATE AND MAINTAIN THE WATER IMPORTATION PIPELINE

This Agreement, executed in counterparts and effective as of the Effective Date defined hereinafter, is entered into by and between the TRI-CITIES MUNICIPAL WATER DISTRICT ("Tri-Cities"), CITY OF SAN CLEMENTE ("CSC") as a successor-in-interest to a portion of Tri-Cities' capacity interests in the Tri-Cities' Water Importation Pipeline and SOUTH COAST WATER DISTRICT ("SCWD") as a successor-in-interest to a portion of Tri-Cities' capacity interests in the Tri-Cities' Water Importation Pipeline (individually referred to as "Party" or collectively referred to as "Parties").

RECITALS

A. Each of the Parties is a public agency and each is authorized and empowered to contract with the other Parties for the joint exercise of powers under Article I, Chapter 5, Division 7, Title 1 of the California Government Code, Section 6500 *et seq.*

B. Each of the Parties has the authority and power to operate and maintain potable water pipelines, reservoirs and appurtenant facilities within (and in some cases, outside) their respective boundaries.

C. Each of the Parties is the owner, or will be the owner upon the Effective Date of this Agreement, of capacity rights, or other property rights, in the Water Importation Pipeline, a domestic water pipeline that conveys and delivers water imported from the Metropolitan Water District of Southern California ("MWD"), referred to in this Agreement as the "Water Importation Pipeline," or "WIP" and in some cases as the "pipeline" or "pipeline facilities". The alignment of the WIP, which consists of three reaches, commences at the terminus of the South County Pipeline, and thereafter extends southwesterly and northwesterly to a point in the vicinity of Stonehill Drive and Del Obispo Street in the City of Dana Point, all as depicted on the plat map attached hereto as Exhibit "A". SCWD previously, at its sole cost and expense, constructed

an additional water transmission pipeline segment ("Reach 4") from the westerly terminus of the WIP to connect with existing SCWD facilities within the boundaries of SCWD.

D. Tri-Cities and SCWD entered into the "Agreement Between South Coast Water District and Tri-Cities Municipal Water District to Provide for the Design, Construction and Ownership of a Supplemental Water Importation Project," dated May 21, 1991 (the "1991 Agreement") to provide for the design, construction and operation of the WIP. This Agreement is intended by the Parties to supersede and replace the 1991 Agreement as of the "Effective Date", defined in Recital F below. SCWD's ownership and operation of Reach 4 is not intended to be included in, or governed by, the terms of this Agreement.

E. Pursuant to LAFCO Reorganization No. RO99-07, in which it is proposed that Tri-Cities will be consolidated with Coastal Municipal Water District ("Coastal"), the Parties hereto desire to (i) designate a successor to Tri-Cities for operation and maintenance of the WIP, (ii) provide for the transfer of certain capacity rights in the WIP currently owned by Tri-Cities to CSC and SCWD; and (iii) provide additional procedures for operating and maintaining the pipeline.

F. It is anticipated Coastal will be the legal successor-in-interest to Tri-Cities under LAFCO Reorganization No. RO99-07; provided, pursuant to this Agreement, the full right, title and interest in capacity interests in water system facilities owned by Tri-Cities, which it owns in the WIP, shall be apportioned between and transferred to, CSC and SCWD on the Effective Date (as defined herein).

This Agreement will be deemed effective one day prior to the effective date of LAFCO Reorganization No. RO99-07 (the "Effective Date").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits and of the mutual covenants herein provided, the Parties agree, for themselves and their successors-in-interest, as follows:

I. TRANSFER/RESTATEMENT OF CAPACITY RIGHTS

1.1 Pipeline Capacity Transfers to CSC, SCWD. Tri-Cities hereby transfers the cfs of capacity in the Water Importation Pipeline which it presently owns and as set forth in detail in Table 1 below, to CSC and to SCWD. CSC and SCWD each respectively accepts such transfer, and assumes all rights, duties and responsibilities in connection with such transferred capacity, whether set forth in this Agreement, or as otherwise set forth by contract or by law. On the Effective Date, Tri-Cities shall quitclaim its easements and right-of-way interests for the Water Importation Pipeline to SCWD and CSC jointly, such quitclaim to be recorded on the Effective Date. Title to all pipeline facilities' rights-of-way in all reaches of the pipeline shall be held jointly in the name of SCWD and CSC upon the Effective Date, and the respective proportionate interests of SCWD and CSC in such rights-of-way will be the same percentages as are allocated in Table 1 below for the reach in which the right-of-way is located. The capacity transfers to SCWD labeled "San Diego cfs" in Table 1 are subject to the following condition: (i) in the event SCWD or its' successor, is no longer the potable water supplier, by way of service agreements with San Diego County Water Authority (or its successor), to Southern California Edison/SONGS and/or United States/Camp Pendleton and/or State of California/State Parks Department; or (ii) in the event any of such San Diego public agency/public utility entities named in (i) above, (or their successors) no longer receive potable water service through the WIP, then that agency's "San Diego cfs" of capacity as described in (i) or (ii) above will be relinquished, transferred and owned proportionally between, and by, SCWD and CSC, with SCWD allocated 30% of such capacity and CSC allocated 70% of such capacity. SCWD and CSC each respectively agrees to assume all associated duties and obligations in connection with the San Diego cfs capacity so allocated to them. The Parties agree to further review the allocation of the

San Diego cfs capacity in advance of any anticipated shutdown of the San Onofre Nuclear Generating Station, which Southern California Edison/SONGS anticipates could extend to the year 2023 or later.

1.2 Pipeline Facilities. The capacity rights of the Parties in the hereinafter described reaches of the WIP shall be on the basis of the percentage of the total capacity as specified in the column designated "Capacity-Owner Percentage," in each designated reach listed in Table 1 below:

TABLE 1

WATER IMPORTATION PIPELINE CAPACITY OWNERSHIP

Water Importation Pipeline	Participants	Capacity cfs	Capacity-Owner Percentage
Reach 1	CSC SCWD SCWD/San Diego cfs	15.0 25.0 0.0	37.5% 62.5% 0.0%
	TOTAL	40.0	100%

Water Importation Pipeline	Participants	Capacity cfs	Capacity-Owner Percentage
Reach 2	CSC SCWD SCWD/San Diego cfs	10.0 25.0 0.0	28.57% 71.43% 0.0 %
	TOTAL	35.0	100%

Water Importation Pipeline	Participants	Capacity cfs	Capacity-Owner Percentage
Reach 3	CSC SCWD SCWD/San Diego cfs	0.0 25.0 0.0	0.0 100.0 0.0
	TOTAL	25.0	100%

1.3 Entitlement Rights. The Parties agree that for all water delivered to the WIP, each Party shall have the entitlement rights in said water in amounts as provided below.

(a) In the event that the total capacity of Reach 1 (i.e., 40 cfs.) is delivered into the beginning of Reach 1 of the pipeline facilities in response to requests from the Parties hereto for the delivery of their respective full entitlements of water, no Party shall take any action to prevent the delivery to another Party of its total entitlement rights at the end of Reach 3.

(b) In the event that any Party has requested delivery of its respective full entitlements of water through the pipeline facilities, but the total capacity of Reach 1 cannot be delivered into the beginning of Reach 1 of the pipeline facilities, each Party will be entitled to receive a proportionate amount of such water actually delivered into Reach 1 based upon each Party's respective Capacity-Owner Percentage in Reach 1. In such event, no Party shall take any action to prevent the delivery to another Party of its proportionate share of the available water, as provided in this Section 1.3(b) at the end of Reach 3 of the pipeline facilities.

(c) The Parties agree to negotiate and deal in good faith with each other upon receipt of a request to transfer from one Party to another on an as-needed basis all or any portion of a Party's rights in the water delivered into the pipeline facilities; provided, however, that no Party shall have any duty to participate in any such transfer unless such Party determines, in its discretion, that its transfer of such rights in water will not jeopardize or inconvenience any of the residents, lands or water users within its boundaries.

II. ADMINISTRATIVE COMMITTEE

2.1 Committee Functions and Procedures.

(a) There is hereby created the "Water Importation Pipeline Administrative Committee" (the "Committee"). The functions of the Committee will be to appoint a Designated Operator (as defined in Section 3.1) pursuant to Section III hereof; provide direction to the Designated Operator with respect to the operation, maintenance and repair of the WIP; review and approve the annual operating budget pursuant to Section VI of this Agreement; and

otherwise administer this Agreement through actions or directions necessary for the continued efficient operation of the WIP.

(b) Each Party shall appoint one representative to the Committee concurrently with the execution of this Agreement by the appointing Party. The identity of the appointed representative from each respective Party shall be promptly communicated to the Designated Operator. Appointed representatives to the Committee shall serve at the pleasure of the governing body of the appointing Party and may be removed at any time, with or without cause; provided, however, that the Parties acknowledge and agree that continuity of representation on the Committee is important to the overall effectiveness of the Committee, and the Parties further agree to take all actions reasonably necessary to ensure such continuity.

(c) The Committee shall meet quarterly for the purpose of reviewing and evaluating the management, operation and maintenance of the WIP, or performing any other functions set forth in this Section II. The Designated Operator shall arrange for more frequent meetings on an as-needed basis, or if requested by the other Party.

(d) (i) In addition to those matters specifically listed below, in the event any decisions or directions must be made or given by the Committee, the concurrence of the Committee representatives will be required.

(ii) Any decisions to undertake repairs (except for those major repairs discussed in Section 5.2 of this Agreement), replacements or improvements, or new capital facilities related to the WIP at a cost in excess of $50,000 (on a per project basis), shall require the concurrence of the Committee representatives. The Parties each covenant to provide for the adequate operation and maintenance of the WIP with necessary repairs and replacements.

(iii) Any decision to appoint or terminate the Designated Operator shall require the concurrence of the Committee representatives.

III. OPERATIONS AND MAINTENANCE

3.1 Designation of Operator. Subsequent to the initial appointment hereunder of SCWD as provided in Section 3.9 hereafter, and in the event SCWD is no longer the Designated Operator hereunder, the Committee shall designate one of the Parties to be responsible for the day-to-day operation and maintenance of the WIP (the "Designated Operator") in accordance with the procedures governing the Committee set forth in Section II hereof. Upon the appointment of a Party as the Designated Operator, the newly appointed Designated Operator shall execute a certification in substantially the form of Exhibit "B" to this Agreement in order to expressly acknowledge and assume the obligations of the Designated Operator set forth in this Agreement.

3.2 Cooperation. To the end that the operation of the WIP will be maintained at the highest efficiency with the lowest costs, the Parties agree that they will confer with each other and share their talents and abilities even though the Designated Operator will be the responsible operating agency.

3.3 Services to be Performed. Subject to all of the provisions of this Agreement, the Designated Operator shall operate and maintain the WIP in accordance with the following general provisions:

(a) Provide, or cause to be provided, all tools, equipment, vehicles, materials, supplies and qualified personnel necessary to manage, operate, maintain and repair the WIP.

(b) Receive water into the WIP and operate same, including service connections, in an efficient manner, and maintain the same in good working order and composition, all in accordance with recognized engineering practices.

(c) Operate the WIP, control devices and all meters and appurtenances, and read all meters at periodic intervals and account for all water delivered to the Parties. Specifically, the Designated Operator will read all WIP meters on the last working day of each

month and report to Coastal or its' successor or the Santa Margarita Water District, or the San Diego County Water Authority (SDCWA), or such other applicable wholesale entity, no later than the second working day of the following month, the total amount of water delivered to each Party. In the event of a discrepancy in meter readings showing a difference in water purchased and delivered to the respective Parties, said discrepancy is to be adjusted and allocated in proportion to the metered amount of water purchased by each Party.

The Parties agree to directly pay Coastal or SDCWA (or other applicable wholesale entity), for all water delivered to such Parties in accordance with the respective procedures of the wholesale entity. The amounts to be paid to the applicable wholesale entity for water delivery hereunder by the Parties shall be referred to as the "Water Delivery Charge". A Party disputing the Water Delivery Charge on the basis of meter readings made by the Designated Operator shall comply with the procedures set forth in Section 4.3 of this Agreement, as well as any applicable procedures of the wholesale entity.

(d) Install necessary meters and appurtenances that may be required to account for and control the water delivered to each Party; provided, each Party will bear the full cost of each meter and all appurtenances installed for its sole use, and will share the cost of each meter and appurtenance installed for joint use in proportion to its Capacity-Owner Percentage for the WIP as set forth above in Table 1. The Parties acknowledge SCWD has, at its sole cost and expense, installed a meter and control structure at the terminus of the SCWD boundary located at the end of Reach 3 and its junction with SCWD's Reach 4, to account for the water delivered into Reach 4 for the sole use and benefit of SCWD.

(e) Strictly comply with the requirements of all permits and licenses and all applicable federal, state and local statutes, ordinances, rules and regulations governing the WIP. If such compliance is impossible for reasons beyond its control, the Designated Operator shall immediately notify the Parties of the fact and the reasons for noncompliance. In the absence of any superseding law, rule or regulation or term otherwise specified in this Agreement, the laws, rules and regulations applicable to and governing the Designated Operator shall apply to operations of the WIP.

3.4 Independent Contractor. The Designated Operator, in performance of the Designated Operator services hereunder, is an independent contractor and all employees of the Designated Operator are solely employees of the Designated Operator and not the agents or employees of the other Parties.

3.5 Contracting for Services. Subject to Section 5.2, except for emergency repairs to protect public health and safety, the Designated Operator shall obtain the prior approval of the affected Parties to (a) secure the services of any contractor for the purpose of performing repairs, or improvements, or for constructing new capital facilities or (b) to purchase replacement equipment, when the cost of either (a) or (b) exceeds $50,000 per contract or purchase. The necessary approval of the affected Parties shall be in accordance with the provisions of Section 2.1(d)(ii).

3.6 Work Stoppage. In the event the Designated Operator employees performing the duties required by this Agreement engage in any strike, work stoppage, work slowdown or any similar activity resulting in the interruption or cessation of the duties required to be provided by the Designated Operator, the Designated Operator shall use its best efforts to obtain additional or replacement services to continue all required operations. During any such strike, work stoppage, work slowdown or any similar activity affecting the operation of the WIP, the other Party may, without terminating this Agreement, assume the operation of the facilities through the use of the employees of any Party, or any independent contractor. No payment shall be made by the other Party to the Designated Operator for work performed by the other Parties during such period. Upon resolution of any of the above described labor disputes, the Designated Operator shall resume its duties under this Agreement. The Designated Operator shall not be liable to the other Parties for any losses, direct or indirect, that may result to the other Parties as a result of such the Designated Operator employee work stoppage. The Designated Operator shall not be deemed to have breached this Agreement or any provision thereof, in the event it is unable, for the reasons discussed in this Section 3.6 to provide the services required under Section II of this Agreement.

3.7 Termination.

(a) The appointment of the Designated Operator may be terminated by the Committee without cause, or the Designated Operator may resign from the appointment upon receipt of ninety (90) days' written notice by the Parties.

(b) The appointment may be terminated for cause by the Committee upon thirty (30) days' written notice to the Designated Operator with such notice including specifications of the operational deficiencies giving rise to the termination for cause. Within such thirty (30) days, the Designated Operator may remedy the cause for termination, and the appointment may continue beyond the initial thirty (30) day period, provided the Committee finds the Designated Operator is diligently pursuing remedial steps to cure the noticed deficiency.

(c) Termination of the appointment of the Designated Operator pursuant to this Section 3.7 (a) or (b) shall be subject to the arbitration provisions of Section 10.6 herein.

3.8 Compensation Upon Termination of Appointment or Resignation. In the event the appointment is terminated by the Committee, or the Designated Operator resigns the appointment under Section 3.7, the other Parties shall promptly reimburse the Designated Operator for the cost of tools, equipment and materials used exclusively by the Designated Operator to perform the duties required herein, which expenditures would not have been incurred but for this appointment and which costs have not otherwise been paid as compensation to the Designated Operator. To the extent that such tools, equipment and/or materials are also used in connection with work not related to this appointment, an allocation of costs incurred shall be made in proportion to the time the tools or equipment were used or materials consumed on such other work and the work performed pursuant to this appointment. To the extent such payments are made by the other Parties to fully reimburse the Designated Operator for the cost of any tools, equipment or materials used exclusively for, or allocated to, the WIP operations, such items shall thereafter belong to the Parties (including the Designated Operator to the extent of its interests) and the Designated Operator agrees to execute such documents as necessary to transfer title to the tools, equipment or materials purchased. The amount to be paid shall be determined as follows:

(a) First, by mutual agreement of the Parties;

(b) Second, if the Parties do not mutually agree within thirty (30) days after notice of termination is received, then by the independent certified public accountant or accountants regularly used for the WIP operations;

(c) Third, if the said accountant or accountants do not resolve the matter within sixty (60) days after the notice of termination is received, then by arbitration in accordance with Section 10.6 of this Agreement.

3.9 Designation of SCWD as Operator. In conjunction with the approval and execution of this Agreement, the Parties hereby designate SCWD to be the initial Designated Operator under this Agreement, and SCWD hereby accepts such appointment, and further agrees to carry out its responsibility in accordance with the terms and conditions of this Agreement.

SCWD shall commence the management, operation and maintenance of the WIP on the Effective Date. SCWD shall continue as the Designated Operator until such time as the Committee appoints a new Designated Operator following the termination or resignation of SCWD's appointment as the Designated Operator. Any re-appointment or termination of, or resignation by, SCWD as the Designated Operator shall be in accordance with the procedures set forth in Sections 2.1(d)(ii), (iii) and 3.7.

IV. OPERATIONS AND MAINTENANCE COSTS

4.1 Operations and Maintenance Costs - Defined. "Operations and Maintenance (O&M) Costs" shall be defined to be the actual costs of operating and maintaining the WIP based on sound accounting principles, including those expenses listed below, necessary to maintain and preserve the facilities in good repair and working order. O&M Costs do not include depreciation or any obsolescent charges or any reserves therefor, or amortization of intangibles or other bookkeeping entries of a similar nature. O&M Costs are, specifically, the sum of the following:

(a) the actual cost to the Designated Operator of necessary labor, such labor to include actual salaries and benefits, as well as legal, insurance, accounting and identifiable administrative services ("Administrative Costs").

(b) all repair or replacement items at a cost not in excess of $50,000 per item;

(c) the actual cost of necessary supplies and materials purchased in connection with the services (no mark-up);

(d) the costs of necessary utilities such as power, light and telephone;

(e) the standard cost of items in inventory;

(f) the cost of equipment at current rental rates; and,

(g) the cost of outside services for those above-listed items authorized by this Agreement or the Committee.

4.2 Allocation, Compensation. O&M Costs shall consist of two components: 'fixed costs' and 'variable costs'. Fixed costs are those O&M Costs that benefit the WIP and are incurred regardless of actual capacity use by the Parties. Fixed costs shall be allocated among the Parties and be paid by each Party based on the Capacity-Owner Percentage set forth in Table 1. Variable costs are those O&M Costs not otherwise defined as fixed costs, and shall be allocated and paid by each Party in proportion to its actual water use. Each Party shall pay the Designated Operator as compensation for the Designated Operator's services hereunder its share of the O&M Costs in accordance with the procedure in Section 4.3.

4.3 Payment of Operations and Maintenance Costs. The Designated Operator shall bill each Party on or about the first day of each month in advance for its share of estimated O&M Costs based on approved budget estimates, as adjusted by the most current operational experience (in the case of variable costs). Each Party agrees to remit such amount within thirty

(30) days of the date of such billing or to pay, in addition, simple interest at the rate of 10% per annum on the unpaid balance until receipt of the balance by the Designated Operator. A Party disputing the correctness of any billing by the Designated Operator agrees to pay the billing under protest and such payment will be without prejudice to the rights of such Party to continue protesting said billing. If the dispute is subsequently resolved in favor of such Party, the Designated Operator agrees to refund the disputed amount owed to the Party along with interest at the LAIF Rate from the date of payment to the date of refund of such amount.

V. CAPITAL IMPROVEMENT/MAJOR REPAIR COSTS

5.1 Capital Improvement Costs Defined. Capital Improvement Costs are defined to mean all necessary capital improvements, repairs (including major repairs discussed below), adjustments and replacements to the WIP at a cost in excess of $50,000 per improvement or repair, including Administrative Costs in connection therewith. Capital Improvement Costs will be paid by each Party in proportion to its Capacity-Owner Percentage in the WIP, as set forth in Table 1 above. These costs, other than those costs considered to be for "major" repairs as set forth below in Section 5.2, will be paid in accordance with the procedure set forth in Section 5.2.

5.2 Major Repairs. In the event of the necessity for major repairs to preserve continuous operation of the WIP, the Designated Operator shall immediately convene a meeting of the Committee, or, if no such meeting is feasible, contact each of the Parties to this Agreement for approval of such repairs. If, after a reasonable time, a Party fails to approve such major repairs, the Designated Operator is authorized to have such repairs made in order to preserve the continuous operation of the WIP, and each Party shall be liable for its share of the costs for such major repairs in proportion to its Capacity-Owner Percentage in each section or reach of the WIP (See Table 1).

The Capital Improvement Costs and major repair costs may be billed to the Parties by the Designated Operator in one lump sum, prior to awarding any contracts for such improvements or repairs, or on a monthly basis to coincide with progress payment schedules, at the Designated

Operator's discretion. The Parties shall remit their share of the costs for Capital Improvement/major repairs to the Designated Operator within thirty (30) days of receipt of billing for such amounts. The Designated Operator shall account for all earnings on Capital Improvement/major repair deposit amounts in accordance with Section VI below.

VI. BUDGETS; ACCOUNTING

6.1 Annual Budget. The Designated Operator shall prepare and submit an annual budget to the Committee for its review, and thereafter (but no later than May 1) to each Party for its review and approval. The budget shall estimate expenditures necessary for the O&M Costs, including Administrative Costs, and Capital Improvement Costs (inclusive of major repair costs). The budget shall be prepared in sufficient detail to constitute an operating outline of expenditures to be made during the ensuing fiscal year and the contributions to be made by the Parties. Each budget shall be approved by the Committee, subject to ratification by the governing bodies of the Parties. Until such time as the ratification process has been completed, the budget shall constitute a proposed budget.

6.2 Budget Approval Process. Each Party reserves the right to approve proposed budgets. Such approval shall be evidenced by a certified copy of the resolution or minute order of the governing body of a Party, delivered to the Designated Operator.

If a Party fails or refuses to approve any budget, the budget shall be returned to the Committee for re-study and revision. In the event a budget acceptable to all of the Parties is not obtained prior to the start of a fiscal year, the Designated Operator may continue to operate at the level of expenditure authorized by the last approved budget and the Parties shall be obligated to contribute their pro rata portion of the funding to the Designated Operator.

6.3 Budget Deposits. Each Party shall appropriate and deliver to the Designated Operator its proportionate share of the budget funds for costs, including Administrative Costs, on a monthly basis during the fiscal year, and within thirty (30) days after receipt of a billing

therefor from the Designated Operator (see Section 4.3). Late deposit of such funds or payments for such costs shall bear interest at the LAIF Rate. Capital Improvement Costs and major repair costs under Section V of this Agreement shall be paid in accordance with the terms thereof.

6.4 Restricted Account. Funds appropriated by a Party and deposited with the Designated Operator pursuant to this Agreement shall be expended only for the purposes expressed in this Agreement and in the budget. Funds shall be deposited in restricted, interest-bearing accounts corresponding to each category of costs designated herein (e.g., O&M, Administrative, Capital Improvement and major repair Costs, and reserves (if any), as described in this Agreement), administered by the Designated Operator.

VII. REPORTING REQUIREMENTS

7.1 Books; Fiscal Year; Audit. The Designated Operator shall maintain full and accurate books and accounts in accordance with the practices established by, or that are consistent with, those utilized by the Controller of the State of California for public agencies. Such books and accounts shall be maintained on the basis of a fiscal year, commencing July 1 and ending on June 30. The books and accounts shall be audited annually by an independent certified public accountant and copies of each such audit report shall be delivered to each of the Parties no later than fifteen (15) days after receipt of the audit by the Designated Operator. In addition, a Party shall have the right, at its sole cost and expense, to audit such books and accounts at any reasonable time.

Any amounts remaining on deposit at the end of the audit shall be credited to the account of the Party(ies) making such deposits for the subsequent fiscal year budget deposits; provided, at the request of a Party, such excess deposit amounts shall be returned to the requesting Party.

7.2 Reports. Throughout the term of this Agreement, the Designated Operator shall provide the following written reports:

(a) Annual Activities Report. Not later than the sixtieth (60th) day after the end of each fiscal year, the Designated Operator shall submit a written report to the Committee that includes, but is not limited to, a summary of the year's maintenance activities, repairs, replacements and improvements.

(b) Annual Audit Report. See Section 7.1 above.

(c) Periodic Reports. From time to time, the Designated Operator shall provide the Parties with such other reports as may be reasonably requested by the Committee.

VIII. INSURANCE/INDEMNITY

8.1 Operations Insurance. With respect to the WIP, the Designated Operator shall furnish and maintain throughout the term of this Agreement comprehensive or commercial general liability insurance, including personal injury and property damage (fire, flood, other standard perils; exclusive of earthquake) and automobile liability insurance with the same limits, deductible/self-insured retention and terms and conditions as the Designated Operator has in force for its other operations. The cost of such insurance shall be considered a fixed Administrative Cost, and allocated based on Capacity-Owner Percentage; provided, only costs incurred by the Designated Operator for insurance coverage with respect to the WIP which exceed amounts otherwise payable by the Designated Operator for insurance in force for its other operations shall be so allocated and paid by the Parties. The Parties and their respective officers, directors, employees and agents shall be additional named insureds under the policy or policies of such insurance.

8.2 Indemnification. The Designated Operator shall not be liable to the other Parties for any physical damage caused to any portion or reach of the WIP or for any monetary damage if such physical or monetary damage is caused by earthquake, flood, fire, explosion, riot, revolution, civil disturbance, war, other acts of God, or other causes beyond the control of the Designated Operator. Additionally, the Designated Operator shall not be liable or responsible to

the other Parties or any third party for any other damages caused by or in connection with the Designated Operator's actions hereunder or in connection with the operation of the WIP performed by the Designated Operator, except, however, the Designated Operator shall defend and indemnify each of the other Parties hereto, along with each Party's officers, directors, employees, and agents, against, and assume and pay all costs of the other Party resulting from, claims or damages resulting from the gross negligence or the willful misconduct of the Designated Operator or its agents and/or employees. Should the Designated Operator not comply with any provision of this Agreement due to its gross negligence or willful misconduct, the Designated Operator shall defend and indemnify, and assume and pay all costs of the other Party resulting therefrom, if not otherwise paid by insurance proceeds of policies provided pursuant to Sections 8.1, including but not limited to the costs of repair, personal or property damage resulting therefrom, as well as any fines levied against the Designated Operator or the other Party by any local, state, or federal governmental regulatory agency. Any such amounts may be deducted from the Designated Operator's compensation for operation services hereunder if not otherwise paid from insurance proceeds. All costs for which the Designated Operator has no indemnity obligation pursuant to this Section 8.2 shall be apportioned among the Parties (including the Designated Operator) based on the Capacity-Owner Percentage set forth in Table 1.

IX. EFFECTIVE DATE

9.1 Effective Date. This Agreement will be deemed to be executed and effective one day prior to the effective date of LAFCO Reorganization No. RO99-07 (the "Effective Date"). In the event LAFCO Reorganization No. RO99-07 is not completed on or before December 31, 2000, this Agreement shall be deemed null and void by Parties hereto and the 1991 Agreement will remain fully operative.

9.2 1991 Agreement. The 1991 Agreement is superseded in its entirety by this Agreement as of the Effective Date.

X. GENERAL

10.1 Assignment. Neither this Agreement nor any duties or obligations of the Designated Operator hereunder shall be assigned by the Designated Operator. Subject to this provision regarding assignment, this Agreement shall be binding on the successors and/or assigns of the respective Parties.

10.2 Further Acts. Each Party to this Agreement agrees to execute and deliver all documents and perform all further acts that may be reasonably necessary to carry out the provisions of this Agreement.

10.3 Amendments. This writing constitutes the entire agreement between and among the Parties. No modification of this Agreement shall be valid, unless in writing and signed by the Parties.

10.4 Attorneys Fees. In the event an action is commenced by any Party to this Agreement to enforce or construe its rights or obligations arising from this Agreement, the prevailing Party in such action, in addition to any other relief and recovery awarded by the court, shall be entitled to recover all reasonable costs plus a reasonable amount for attorneys' fees.

10.5 Notice. Any notice provided for herein shall be given in writing and transmitted by personal delivery or prepaid first class mail, addressed as follows, which address may be changed from time to time upon direction of the Parties:

TRI-CITIES MUNICIPAL WATER DISTRICT	Tri-Cities Municipal Water District 851 Calle Agua San Clemente, California 92672 Attn: General Manager
CITY OF SAN CLEMENTE	City of San Clemente 910 Calle Negocio San Clemente, CA 92673 Attn: Director of Public Works

South Coast Water District
31592 West Street
Laguna Beach, CA 92651
Attn: General Manager

10.6 Arbitration Provision. Any controversy or claim between any two or more Parties to this Agreement, in respect to the WIP operations, or to any claims, disputes, demands, differences, controversies, or misunderstandings arising under, out of, or in relation to this Agreement, or any breach thereof, shall be submitted to and determined by arbitration. To the extent not inconsistent herewith, the rules of the American Arbitration Association shall apply. The Party desiring to initiate arbitration shall give notice of its intention to arbitrate to every other Party to this Agreement. Such notice shall designate as "respondents" such other Parties as the initiating Party intends to have bound by any award made therein. Any Party not so designated but which desires to join in the arbitration may, within ten (10) days of service upon it of such notice, file a response indicating its intention to join in and to be bound by the results of the arbitration, and further designating any other Parties it wishes to name as a respondent. Within twenty (20) days of the service of the initial demand for arbitration, the American Arbitration Association, hereinafter referred to as "AAA" shall submit simultaneously to the initiating Party and to all Parties named as respondents or filing a response therein, an identical list of names of persons chosen from the AAA National Panel of Arbitrators which persons shall be, to the extent possible, persons versed in the field of public water systems as well as general public law. Each Party to the dispute shall have fifteen (15) days from the mailing date in which to cross-off any names to which it objects, number the remaining names indicating the order of its preference, and return the list to the AAA. If a Party does not return the list within the time specified, all persons named therein shall be deemed acceptable. From among the persons who have been approved on both lists, in accordance with the designated order of mutual preference, the AAA shall invite the acceptance of an arbitrator to serve. If the Parties fail to agree upon one of the persons named, or if an acceptable arbitrator is unable to act, or if for any other reason the appointment cannot be made from the submitted list, the AAA shall have the power to make the appointment of the arbitrator from other members of the panel without the submission of any additional list.

The arbitrator shall determine the rights of the Parties in accordance with the law, and the award shall be subject to review as to the arbitrator's application of the law by any court having jurisdiction thereof, whether or not any mistake of law shall appear upon the face of the award. As to all questions of facts, however, the determination of the arbitrator shall be binding upon all Parties and shall be final. Any Party shall be entitled to written findings of fact and conclusions of law as to all issues determined by the award. Subject to the above limitations, the award shall be binding upon all Parties to the arbitration and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

The arbitrator may, in his discretion, as part of the arbitration award impose upon any one Party or allocate among two or more of the Parties, the liability for the arbitration fees and expenses. Such allocable fees may include the administration fees, fees for second and subsequent hearings, postponement fees and overtime fees. Allocable expenses may include the expenses of producing witnesses, the cost of stenographic records, the cost of any transcripts, travel expenses of the arbitrator and tribunal administrator, the expenses of any witnesses, the costs of any proofs produced at the direct request of the arbitrator, and any other expenses relating directly to the arbitration. In the event of the failure of the arbitrator to provide for the allocation of such fees and expense, the arbitration fees shall be divided equally between the Parties and the expenses shall be borne by the Party incurring them.

10.7 Severance. If any section, subsection, sentence or clause or phrase of this Agreement, or the application thereof, to any of the Parties or any other person or circumstances is for any reason held invalid, the validity of the remainder of the Agreement, or the application of such provision to the other Parties, or to any other persons or circumstances, shall not be affected thereby. Each of the Parties declares that it would have entered into this Agreement, and each section, subsection, sentence, clause or phrase thereto, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases, or the application thereof, to any Party or any other person or circumstance be held invalid.

10.8 Integration; Attachments. This Agreement constitutes the entire Agreement and supersedes all prior Agreement and understandings, both written and oral, among the Parties with respect to the subject matter hereof. The Exhibits attached hereto are incorporated into this Agreement.

10.9 Recitals/Calendar Days. The Parties agree the Recitals of this Agreement are true and correct, and are incorporated as part of this Agreement. All references to the term "days" in this Agreement unless otherwise specified shall mean calendar days.

10.10 Waiver. No waiver of any default by a Party or the Parties shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition.

10.11 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties under this Agreement.

10.12 Governing Law and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any lawsuit brought in connection with this Agreement shall be brought in the appropriate court in the County of Orange, California.

10.13 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

///

///

///

///

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first written above.

TRI-CITIES MUNICIPAL WATER DISTRICT

Dated: March 3, 2000

By: _____
President, Board of Directors

By: _____
Secretary, Board of Directors

CITY OF SAN CLEMENTE

Dated: 3·16·2000

By: _____
Mayor

Attest:

_____
City Clerk

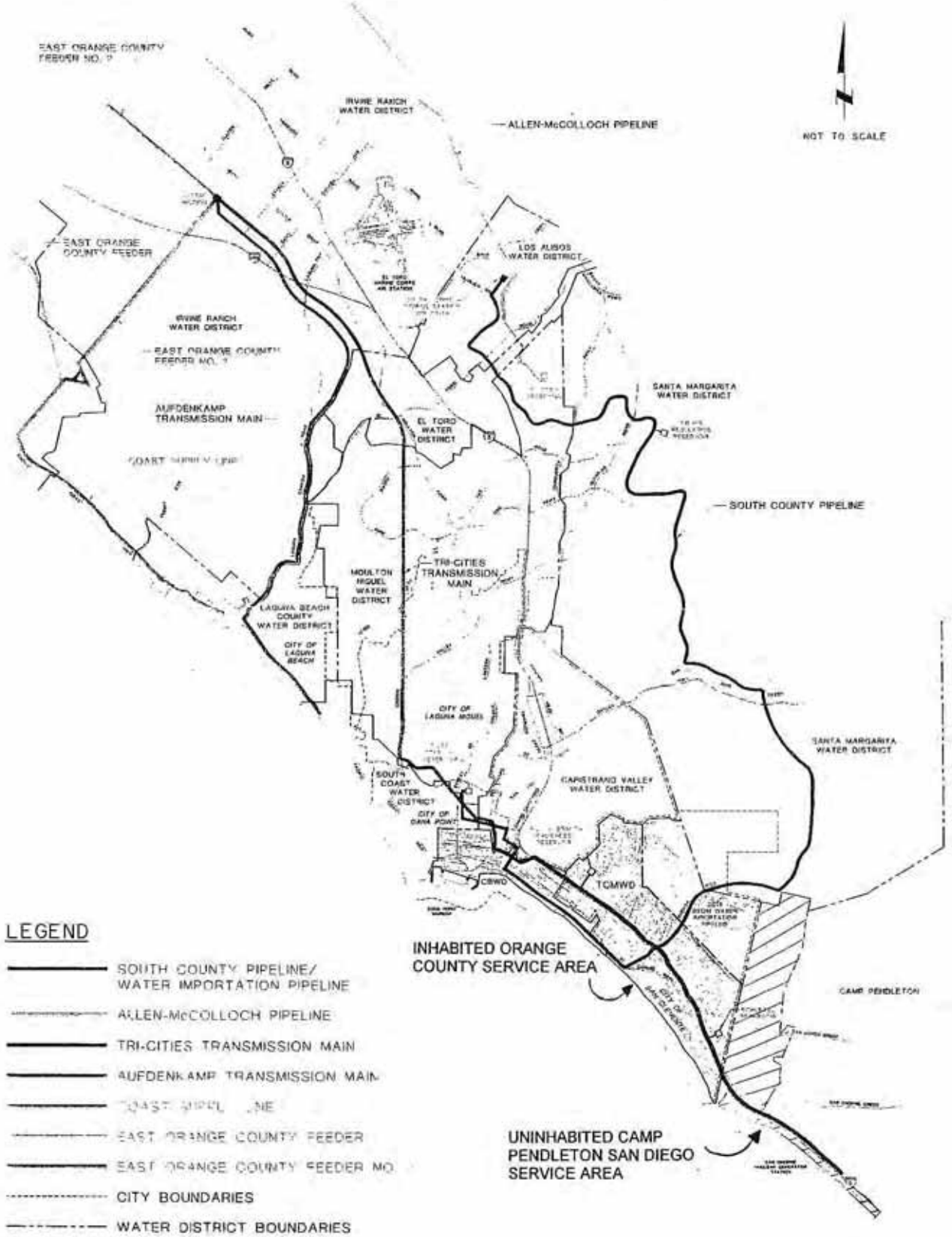
SOUTH COAST WATER DISTRICT

Dated: 3/2/00

By: _____
President, Board of Directors

By: _____
Secretary, Board of Directors

IMPORTED WATER SUPPLY SYSTEM



TRI-CITIES MUNICIPAL WATER DISTRICT

EXHIBIT A

Exhibit "B"

Certification of Designated Operator

"By execution of this Certificate, the following as an authorized representative of [_____public agency_____] warrants and represents that by approval of its governing body on _____, ____, accepts [public agency]'s appointment as the 'Designated Operator' under and pursuant to that certain agreement entitled "Joint Exercise of Powers Agreement to Operate and Maintain the Water Importation Pipeline", effective February 28, 2000 (the "Joint Powers Agreement"). [_____public agency_____] expressly acknowledges and assumes the rights, duties and obligations of the Designated Operator specified in the Joint Powers Agreement, including, but not limited to, the indemnity obligation set forth in Section 8.2 of the Joint Powers Agreement. This acceptance and assumption is effective as of the _____ day of _____, _____.

[Public Agency]

By: _____
Authorized Representative

Dated: _____

Local Transmission Main & Schlegel Reservoir

AGREEMENT FOR TRANSFER OF OWNERSHIP AND TO OPERATE AND MAINTAIN THE LOCAL TRANSMISSION MAIN FACILITIES AND THE SCHLEGEL RESERVOIR

THIS AGREEMENT, executed, in counterparts and effective as of the Effective Date defined herein, is entered into by and between **TRI-CITIES MUNICIPAL WATER DISTRICT** ("Tri-Cities"); **CITY OF SAN CLEMENTE** ("CSC"), as successor-in-interest to Tri-Cities' ownership interests in the Tri-Cities Local Transmission Main Facilities; and **SOUTH COAST WATER DISTRICT** ("SCWD"), as successor-in-interest to a portion of Tri-Cities' capacity interests in the Tri-Cities' Local Transmission Main Facilities to be held on behalf of the San Diego County end users (individually referred to as "Party", or collectively referred to as "Parties").

RECITALS

A. Each of the Parties is a public agency, and each of the Parties is authorized and empowered to contract with the other Parties.

B. Each of the Parties has the authority and power to own, operate and maintain potable water pipelines, reservoirs, and appurtenant facilities within (and in some cases outside) their respective boundaries.

C. Each of the Parties is the owner, or will be the owner upon the Effective Date of this Agreement, of capacity rights, or other property rights, in the Local Transmission Main (sometimes hereinafter referred to as the "LTM"), a water pipeline that conveys and delivers potable water imported from the Metropolitan Water District of Southern California ("MWD"), and in related

reservoir facilities known as Schlegel Reservoir ("Reservoir"), which is located within the City of San Clemente, which, together with the LTM are sometimes hereinafter referred to in this Agreement as the "Local Transmission Main Facilities", or "LTMF". The LTM extends from the outlet valve at the Dana Point Control to the Brandt Reservoir to that certain point at the San Diego County line, as depicted on the map attached hereto as Exhibit "A", and made a part hereof. The San Onofre Feeder ("SOF"), a water transmission line, is located entirely within San Diego County at the point of connection to the LTM at the County line, and extending to its terminus in the vicinity of the San Onofre State Beach, as depicted on the map attached hereto as Exhibit "A", and made a part hereof.

D. Pursuant to Orange County LAFCO Reorganization No. RO99-07, effective March 31, 2000,Tri-Cities will be consolidated with Coastal Municipal Water District ("Coastal"), as the legal successor-in-interest to Tri-Cities; provided, pursuant to this Agreement, the full right, title, and interest in certain water system facilities owned by Tri-Cities, including a portion of the LTMF and the Schlegel Reservoir, shall be transferred to CSC, on the Effective Date (as defined herein). Therefore, the Parties hereto desire to (I) provide for the transfer of ownership of the LTMF currently owned by Tri Cities to CSC; (ii) designate a successor to Tri-Cities (i.e., SCWD), for operation and maintenance of the LTM; (iii) provide additional procedures for operating and maintaining the LTM; (iv) provide for the transfer of ownership of the Schlegel Reservoir currently owned by Tri-Cities to CSC; and (v) designate a successor to Tri-Cities (i.e., CSC), for operation and maintenance of the Schlegel Reservoir, which provides storage

capacity for operation of the LTM and emergency storage for Southern California Edison ("Edison") for its San Onofre Nuclear Generating Station ("SONGS.

E. Edison owns the San Onofre Nuclear Generating Station ("SONGS"), located upon land owned by the Federal Government on the coast of extreme northern San Diego County. Edison requires that SONGS have a permanent, reliable source of potable water.

F. Tri-Cities and Edison were parties to that certain "Water Service and Reservoir Construction Agreement", dated December 7, 1983 ("1983 Agreement"), under the terms of which Edison received water from Tri-Cities until January 31, 2000.

G. Under the 1983 Agreement, Tri-Cities utilized the Tri-Cities Joint Transmission Main facilities ("JTM"), the LTMF, and the SOF (the JTM, LTMF, and SOF are collectively referred to as "System") to supply water to SONGS. Pursuant to the 1983 Agreement, Edison paid approximately $2,000,000 to construct the Reservoir and approximately $4,000 to purchase 5,000,000 gallons of water stored in the Reservoir for emergencies.

H. Tri-Cities, Edison, and SCWD are parties to that certain "Water Service Agreement", dated January 31, 2000 ("2000 Agreement"), under the terms of which Edison currently receives water from Tri-Cities through the System, including the storage of 5,000,000 gallons of water in the Reservoir. The 2000 Agreement supersedes the 1983 Agreement in all respects.

I. The 2000 Agreement did not alter the terms of the annexation of the SONGS site into the MWD, under which Edison paid for and was granted the

right to 3.67 cfs of the total capacity of 5.07 cfs that the MWD allocated to the San Diego County Water Authority ("SDCWA") for San Diego customers. Edison has assigned 0.60 cfs of its 3.67 cfs capacity rights for the use of Camp Pendleton under separate agreement with the United States of America, acting through the Southwest Division, Naval Facilities Engineering Command. Additionally, under the terms of the 2000 Agreement, Edison released 1.07 cfs of its previously purchased 3.67 cfs capacity rights to CSC and SCWD ("Released Capacity"), in a proportion as agreed to between these entities.

J. Pursuant to its express terms, on the effective date of the Reorganization, the 2000 Agreement shall be automatically assigned to SCWD, who shall assume Tri-Cities' obligations under the 2000 Agreement to operate and maintain the JTM, LTM, and SOF, in accordance with the terms of Agreements with the owners of each facility in the system, to continue to provide water service to Edison at SONGS. The Parties intend that this Agreement become effective one day prior to the Effective Date of the Reorganization, and that CSC, as the owner and operator of the Reservoir, and owner of the LTM, shall assume Tri-Cities' obligations to Edison under the 2000 Agreement related to the operation and maintenance of the LTM and Reservoir other than those otherwise assigned to SCWD.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits and of the mutual covenants herein provided, the Parties agree, for themselves and their successors-in-interest, as follows:

I. TRANSFER OF OWNERSHIP RIGHTS.

1.1. Local Transmission Main – Transfer to CSC. Tri-Cities hereby conveys, transfers, and assigns all of the rights, title, and interest which it presently owns in the LTM to CSC, and CSC accepts such transfer, and assumes all rights, duties, and responsibilities in connection with such transferred ownership, whether set forth in this Agreement, or as otherwise set forth or by law. No later than ten (10) days prior to the Effective Date, Tri-Cities shall deliver a quitclaim deed of its easement and right-of-way interests for the LTM to CSC, which shall be recorded on the Effective Date.

1.2 Local Transmission Main – Transfer Subject to Capacity Interests.

(a) The transfer of the LTM is subject to the rights of SCWD to own a quantity of capacity rights and interest in the LTM, as set forth in Table 1 below, which rights are hereby granted. SCWD, or its successor, shall own the capacity rights for the benefit of the end users located in San Diego County, in accordance with the terms and conditions of certain agreements between SCWD and SDCWA, as successor owner of the San Onofre Feeder; and between SCWD and each of said end users—namely: Edison, State of California Department of Parks, and the United States Navy – Camp Pendleton.

TABLE 1

LOCAL TRANSMISSION MAIN CAPACITY OWNERSHIP

Participant	Capacity in cfs	Capacity Ownership (%)
CSC	14.78	86.64%
SCWD/San Diego cfs	2.28	13.36%
TOTAL	17.06	100 %

(b) The capacity interests of SCWD labeled "San Diego cfs" in Table 1 above are subject to the following condition: in the event either (i) SCWD, or its successor, is no longer the potable water supplier, by way of service agreements with SDCWA (or its successor), to Edison/SONGS, and/or United States/Camp Pendleton, and/or State of California/State Parks Department; or (ii) in the event any of such San Diego public agency/public utility entities named in (i) above (or their successors) no longer receive potable water service through the LTMF, then that agency's "San Diego cfs" of capacity, as described in (i) or (ii) above, will be relinquished, transferred, and owned by CSC. SCWD and CSC each respectively agrees to assume all associated duties and obligations in connection with the San Diego cfs capacity so allocated to them. The Parties agree to further review the allocation of the San Diego cfs capacity in advance of any anticipated shutdown of the San Onofre Nuclear Generating Station, which Southern California Edison/SONGS anticipates will be in the Year 2023, or later.

1.3. Local Transmission Main – Operation and Maintenance.

1.3.1. Designation of Operator. Subsequent to the initial appointment hereunder of SCWD, as provided in Section 1.3.9 hereafter, and in the event SCWD is no longer the Designated Operator hereunder, due to resignation or termination, CSC shall designate itself, or another entity to be responsible for the day-to-day operation and maintenance of the LTM (the "Designated Operator"). Upon the appointment of another entity as the

Designated Operator, the newly-appointed Designated Operator shall execute a certificate in substantially the form of Exhibit "B" to this Agreement, in order to expressly acknowledge and assume the obligations of the Designated Operator set forth in this Agreement.

1.3.2. Cooperation. To the end that the operation of the LTM will be maintained at the highest efficiency with the lowest costs, the Parties agree that they will confer with each other and share their talents and abilities, even though the Designated Operator will be the responsible operating agency.

1.3.3. Services to be Performed. Subject to all of the provisions of this Agreement, the Designated Operator shall operate and maintain the LTM in accordance with the following general provisions:

(a) Provide, or cause to be provided, all tools, equipment, vehicles, materials, supplies, and qualified personnel necessary to manage, operate, maintain, and repair the LTM.

(b) Receive water into the LTM and operate same, including service connections, in an efficient manner, and maintain the same in good working order and composition, all in accordance with recognized engineering practices.

(c) Operate the LTM, control devices, and all meters and appurtenances, and read all meters at periodic intervals and account for all water delivered to the Parties.

(d) Install necessary meters and appurtenances that may be required to account for and control the water delivered to each Party;

provided, each Party will bear the full cost of each meter and all appurtenances installed for its sole use, and will share the cost of each meter and appurtenance installed for joint use in proportion to its Capacity-Owner Percentage for the LTM, as set forth above in Table 1.

(e) Strictly comply with the requirements of all permits and licenses and all applicable federal, state, and local statutes, ordinances, rules, and regulations governing the LTM. If such compliance is impossible for reasons beyond its control, the Designated Operator shall immediately notify CSC of the fact and the reasons for noncompliance. In the absence of any superseding law, rule, regulation, or term otherwise specified in this Agreement, the laws, rules, and regulations applicable to and governing the Designated Operator shall apply to operations of the LTM.

1.3.4. Independent Contractor. The Designated Operator, in performance of the Designated Operator services hereunder, is an independent contractor, and all employees of the Designated Operator are solely employees of the Designated Operator and not the agents or employees of CSC.

1.3.5. Contracting for Services. Subject to Section 1.3.14. below, except for emergency repairs to protect public health and safety, the Designated Operator shall obtain the prior approval of CSC to (i) secure the services of any contractor for the purpose of performing repairs, or improvements, or for constructing new capital facilities; or (ii) to purchase replacement equipment, when the cost of either (i) or (ii) exceeds $50,000 per contract or purchase.

1.3.6. Work Stoppage. In the event the Designated Operator employees performing the duties required by this Agreement engage in any strike, work stoppage, work slowdown or any similar activity resulting in the interruption or cessation of the duties required to be provided by the Designated Operator, the Designated Operator shall use its best efforts to obtain additional or replacement services to continue all required operations. During any such strike, work stoppage, work slowdown, or any similar activity affecting the operation of the LTM, CSC may, without terminating this Agreement, assume the operation of the facilities through the use of the employees of CSC, or any independent contractor. No payment shall be made by CSC to the Designated Operator for work performed by CSC during such period. Upon resolution of any of the above-described labor disputes, the Designated Operator shall resume its duties under this Agreement. The Designated Operator shall not be liable to CSC for any losses, direct or indirect, that may result to CSC as a result of such Designated Operator employee work stoppage. The Designated Operator shall not be deemed to have breached this Agreement, or any provision thereof, in the event it is unable, for the reasons discussed in this Section 1.3.6. to provide the services required under this Agreement.

1.3.7. Termination.

(a) The appointment of the Designated Operator may be terminated by CSC without cause, or the Designated Operator may resign from the appointment upon receipt of ninety (90) days' written notice by CSC.

(b) The appointment may be terminated for cause by CSC upon thirty (30) days' written notice to the Designated Operator with such notice, including specifications of the operational deficiencies giving rise to the termination for cause. Within such thirty (30) days, the Designated Operator may remedy the cause for termination, and the appointment may continue beyond the initial thirty (30) day period, provided CSC finds the Designated Operator is diligently pursuing remedial steps to cure the noticed deficiency.

(c) Termination of the appointment of the Designated Operator, pursuant to this Section 1.3.7. (a) or (b), shall be subject to the arbitration provisions of Section 13.1. herein.

1.3.8. Compensation Upon Termination of Appointment or Resignation. In the event the appointment is terminated by CSC, or the Designated Operator resigns the appointment under Section 1.3.7., CSC shall promptly reimburse the Designated Operator for the cost of tools, equipment, and materials used exclusively by the Designated Operator to perform the duties required herein, which expenditures would not have been incurred but for this appointment and which costs have not otherwise been paid as compensation to the Designated Operator. To the extent that such tools, equipment, and/or materials are also used in connection with work not related to this appointment, an allocation of costs incurred shall be made in proportion to the time the tools or equipment were used, or materials consumed, on such other work, and the work performed pursuant to this appointment. To the extent such payments are made by CSC to fully reimburse the Designated Operator for the cost of any tools,

equipment, or materials used exclusively for, or allocated to, the LTM operations, such items shall thereafter belong to the Parties (including the Designated Operator to the extent of its interests), and the Designated Operator agrees to execute such documents as necessary to transfer title to the tools, equipment, or materials purchased. The amount to be paid shall be determined as follows:

(a) First, by mutual agreement of the Parties;

(b) Second, if the Parties do not mutually agree within thirty (30) days after notice of termination is received, then by the independent certified public accountant or accountants regularly used for the LTM operations;

(c) Third, if the said accountant or accountants do not resolve the matter within sixty (60) days after the notice of termination is received, then by arbitration in accordance with Section 13.1. of this Agreement.

1.3.9. Designation of SCWD as Operator. In conjunction with the approval and execution of this Agreement, CSC hereby designates SCWD to be the initial Designated Operator under this Agreement, and SCWD hereby accepts such appointment, and further agrees to carry out its responsibilities in accordance with the terms and conditions of this Agreement.

SCWD shall commence the management, operation, and maintenance of the LTM on the Effective Date. SCWD shall continue as the Designated Operator until such time as CSC appoints a new Designated Operator following the termination or resignation of SCWD's appointment as the Designated Operator.

1.3.10. Operations and Maintenance Costs – Defined. "Operations and Maintenance ('O&M') Costs" shall be defined to be the actual costs of operating and maintaining the LTM based on sound accounting principles, including those expenses listed below, necessary to maintain and preserve the facilities in good repair and working order. O&M Costs do not include depreciation or any obsolescent charges or any reserves therefor, or amortization of intangibles or other bookkeeping entries of a similar nature. O&M Costs are, specifically, the sum of the following:

(a) The actual cost to the Designated Operator of necessary labor, such labor to include actual salaries and benefits, as well as legal, insurance, accounting, and identifiable administrative services ("Administrative Costs").

(b) All repair or replacement items at a cost not in excess of $50,000 per item;

(c) The actual cost of necessary supplies and materials purchased in connection with the services (no mark-up);

(d) The costs of necessary utilities such as power, light, and telephone;

(e) The standard cost of items in inventory;

(f) The cost of equipment at current rental rates; and

(g) The cost of outside services for those above-listed items authorized by this Agreement or the Committee.

1.3.11. Allocation, Compensation. O&M Costs shall consist of two components: "fixed costs" and "variable costs". Fixed costs are those O&M Costs that benefit the LTM and are incurred regardless of actual capacity use by the Parties. Fixed costs shall be allocated among the Parties and be paid by each Party based on the Capacity-Owner Percentage set forth in Table 1. Variable costs are those O&M Costs not otherwise defined as fixed costs, and shall be allocated and paid by each Party in proportion to its actual water use. Each Party shall pay the Designated Operator as compensation for the Designated Operator's services hereunder its share of the O&M Costs in accordance with the procedure set forth in Section 1.3.12. below.

1.3.12. Payment of Operations and Maintenance Costs. The Designated Operator shall bill each Party on or about the first day of each month in advance for its share of estimated O&M Costs based on approved budget estimates, as adjusted by the most current operational experience (in the case of variable costs). Each Party agrees to remit such amount within thirty (30) days of the date of such billing, or to pay, in addition, simple interest at the rate of 10% per annum on the unpaid balance until receipt of the balance by the Designated Operator. A Party disputing the correctness of any billing by the Designated Operator agrees to pay the billing under protest, and such payment will be without prejudice to the rights of such Party to continue protesting said billing. If the dispute is subsequently resolved in favor of such Party, the Designated Operator agrees to refund the disputed amount owed to the Party,

along with interest at the LAIF Rate from the date of payment to the date of refund of such amount.

1.3.13. Capital Improvement Costs – Defined. Capital Improvement Costs are defined to mean all necessary capital improvements, repairs (including major repairs discussed below), adjustments, and replacements to the LTM at a cost in excess of $50,000 per improvement or repair, including Administrative Costs in connection therewith. Capital Improvement Costs will be paid by each Party in proportion to its Capacity-Owner Percentage in the LTM, as set forth in Table 1 above. These costs, other than those costs considered to be for "major" repairs, as set forth below in Section 1.3.14., will be paid in accordance with the procedure set forth in section 1.3.14.

1.3.14. Major Repairs. In the event of the necessity for major repairs to preserve continuous operation of the LTM, the Designated Operator shall immediately convene a meeting with CSC, or, if not such meeting is feasible, contact CSC for approval of such repairs. If, after a reasonable time, CSC fails to approve such major repairs, the Designated Operator is authorized to have such repairs made in order to preserve the continuous operation of the LTM, and each Party shall be liable for its share of the costs for such major repairs in proportion to its Capacity-Owner Percentage in each section or reach of the LTM, as set forth in Table 1 above.

The Capital Improvement Costs and major repair costs may be billed to the Parties by the Designated Operator in one lump sum, prior to awarding any contracts for such improvements or repairs, or on a monthly basis

to coincide with progress payment schedules, at the Designated Operator's discretion. The Parties shall remit their share of the costs for Capital Improvement/major repairs to the Designated Operator within thirty (30) days of receipt of billing for such amounts. The Designated Operator shall account for all earnings on Capital Improvement/major repair deposit amounts, in accordance with Section 1.3.15. below.

1.3.15. Annual Budget. The Designated Operator shall prepare and submit an annual budget to the Parties no later than May 1st of each year, for their review and approval. The budget shall estimate expenditures necessary for the O&M Costs, including Administrative Costs, and Capital Improvement Costs (inclusive of major repair costs). The budget shall be prepared in sufficient detail to constitute an operating outline of expenditures to be made during the ensuing fiscal year, and the contributions to be made by the Parties. Each budget shall be approved by the Staff of each Party, subject to ratification by the governing bodies of the Parties. Until such time as the ratification process has been completed, the budget shall constitute a proposed budget.

1.3.16. Budget Approval Process. Each Party reserves the right to approve proposed budgets. Such approval shall be evidenced by a certified copy of the Resolution or Minute Order of the governing body of a Party, delivered to the Designated Operator.

In the event a budget acceptable to all of the Parties is not obtained prior to the start of a fiscal year, the Designated Operator may continue

to operate at the level of expenditure authorized by the last approved budget, and the Parties shall be obligated to contribute their pro rata portion of the funding to the Designated Operator.

1.3.17. Budget Deposits. Each Party shall appropriate and deliver to the Designated Operator its proportionate share of the budget funds for costs, including Administrative Costs, on a monthly basis during the fiscal year, and within thirty (30) days after receipt of a billing therefor from the Designated Operator (see Section 1.3.12. above). Late deposit of such funds or payments for such costs shall bear interest at the State of California Local Agency Investment Fund ("LAIF") Rate. Capital Improvement Costs and major repair costs under Sections 1.3.13. and 1.3.1.4. of this Agreement, shall be paid in accordance with the terms thereof.

1.3.18. Restricted Account. Funds appropriated by a Party and deposited with the Designated Operator, pursuant to this Agreement, shall be expended only for the purposes expressed in this Agreement and in the budget. Funds shall be deposited in restricted, interest-bearing accounts, corresponding to each category of costs designated herein (e.g., O&M, Administrative, Capital Improvement, and major repair Costs, and reserves (if any), as described in this Agreement), administered by the Designated Operator.

1.3.19. Books; Fiscal Year; Audit. The Designated Operator shall maintain full and accurate books and accounts in accordance with the practices established by, or that are consistent with, those utilized by the Controller of the State of California for public agencies. Such books and

accounts shall be maintained on the basis of a fiscal year, commencing July 1 and ending on June 30. The books and accounts shall be audited annually by an independent certified public accountant, and copies of each such audit report shall be delivered to each of the Parties no later than fifteen (15) days after receipt of the audit by the Designated Operator. In addition, a Party shall have the right, at its sole cost and expense, to audit such books and accounts at any reasonable time.

Any amounts remaining on deposit at the end of the audit shall be credited to the account of the Party(ies) making such deposits for the subsequent fiscal year budget deposits; provided, at the request of a Party, such excess deposit amounts shall be returned to the requesting Party.

1.3.20. Reports. Throughout the term of this Agreement, the Designated Operator shall provide the following written reports:

(a) Annual Activities Report. Not later than the sixtieth (60^{th}) day after the end of each fiscal year, the Designated Operator shall submit a written report to the Parties that includes, but is not limited to, a summary of the year's maintenance activities, repairs, replacements, and improvements.

(b) Annual Audit Report. See Section 1.3.19. above.

(c) Periodic Reports. From time to time, the Designated Operator shall provide the Parties with such other reports as may be reasonable requested.

1.3.21. Operations Insurance. With respect to the LTM, the Designated Operator shall furnish and maintain through the term of this Agreement, comprehensive or commercial general liability insurance, including personal injury and property damage (fire, flood, other standard perils; exclusive of earthquake), and automobile liability insurance with the same limits, deductible/self-insured retention, and terms and conditions as the Designated Operator has in force for its other operations. The cost of such insurance shall be considered a fixed Administrative Cost, and allocated based on Capacity-Owner Percentage; provided, only costs incurred by the Designated Operator for insurance coverage with respect to the LTM which exceed amounts otherwise payable by the Designated Operator for insurance in force for its other operations shall be so allocated and paid by the Parties. The Parties, and their respective officers, directors, employees, and agents, shall be additional-named insureds under the policy or policies of such insurance.

1.3.22. Indemnification. The Designated Operator shall not be liable to CSC for any physical damage caused to any portion or reach of the LTM or for any monetary damage if such physical or monetary damage is caused by earthquake, flood fire, explosion, riot, revolution, civil disturbance, war, other acts of God, or other causes beyond the control of the Designated Operator. Additionally, the Designated Operator shall not be liable or responsible to CSC or any third party for any other damages caused by or in connection with the Designated Operator's actions hereunder, or in connection with the operation of the LTM performed by the Designated Operator; except,

however, the Designated Operator shall defend and indemnify CSC, along with CSC's officers, directors, employees, and agents, against, and assume and pay all costs of CSC resulting from, claims or damages resulting from the gross negligence or the willful misconduct of the Designated Operator or its agents and/or employees. Should the Designated Operator not comply with any provision of this Agreement due to its gross negligence or willful misconduct, the Designated Operator shall defend and indemnify, and assume and pay all costs of the other Party resulting therefrom, if not otherwise paid by insurance proceeds of policies provided pursuant to Section 1.3.21. above, including but not limited to, the costs of repair, personal, or property damage resulting therefrom, as well as any fines levied against the Designated Operator or CSC by any local, state, or federal governmental regulatory agency. Any such amounts may be deducted from the Designated Operator's compensation for operation services hereunder if not otherwise paid from insurance proceeds. All costs for which the Designated Operator has no indemnity obligation, pursuant to this Section 1.3.22., shall be apportioned among the Parties (including the Designated Operator) based on the Capacity-Owner Percentage set forth in Table 1 above.

1.4. Schlegel Reservoir – Transfer to CSC. Tri-Cities hereby conveys, transfers, and assigns all of the rights, title, and interest which it presently owns in the Schlegel Reservoir to CSC, and CSC accepts such transfer, and assumes all rights, duties, and responsibilities in connection with such transferred ownership, whether set forth in this Agreement, or as otherwise

set forth by contract or by law. No later than ten (10) days prior to the Effective Date, Tri-Cities shall also deliver a quitclaim deed of its easement and right-of-way interests for the Reservoir to CSC, which shall be recorded on the Effective Date.

1.5. Schlegel Reservoir - Transfer Subject to Capacity Interests. The transfer of the Reservoir is subject to the rights of SCWD to own a quantity of capacity rights and interest in the Reservoir, as set forth in Table 2 below, which rights are hereby granted. SCWD, or its successor, shall own the capacity rights for the benefit of the end users located in San Diego County, in accordance with the terms and conditions of that certain agreement between SCWD and Edison/SONGS.

The capacity interests of SCWD labeled "San Diego mg" in Table 2 below are subject to the following conditions: in the event either (i) SCWD, or its successor is no longer the potable water supplier, by way of service agreements with SDCWA (or its successor), to Edison/SONGS, and/or United States/Camp Pendleton; or (ii) SONGS no longer receives potable water service through the LTMF, then the "San Diego mg" capacity, as set forth in its Water Service Agreement with SCWD, will be relinquished, transferred, and owned by CSC. SCWD and CSC each respectively agrees to assume all associated duties and obligations in connection with the San Diego mg capacity so allocated to them. The Parties agree to further review the allocation of the San Diego mg capacity in advance of any anticipated shutdown SONGS which Edison anticipates will be in the Year 2023, or later.

1.6. Schlegel Reservoir – Operational Capacity and Purpose.

(a) Tri-Cities has owned and operated the 12 million gallon ("mg") Reservoir, which provides storage capacity in connection with the operations of the LTM. In accordance with past annual budgeting process, CSC and Tri-Cities contributed repair and maintenance costs for the Reservoir, and additional amounts for related capital projects. CSC, as the successor owner, or its designated contract operator, shall operate the Reservoir on a daily basis, so as to provide the highest hydraulic gradient for operating the LTM in accordance with the needs of CSC and the San Diego County end users, while at the same time preserving sufficient capacity for surge control (referenced as the "Operational Storage" in Table 2 below), for the benefit of the Parties. The Operational Storage is integral to the continued successful operation of the LTM by the Parties.

(b) Reservoir Capacity. The capacity rights of CSC and SCWD, on behalf of SONGS, as more fully described in Section 1.5 above, in the Reservoir, shall be as set forth in Table 2 below.

TABLE 2

SCHLEGEL RESERVOIR CAPACITY OWNERSHIP

Participants	Operational Storage (mg)	Peak, Emergency, and Fire Storage (mg)	Dedicated Emergency Storage (mg)	Total Storage Capacity (mg)	Total Capacity Owner Percentage
CSC	2.2	4.8	0.0	7.0	58.33
SCWD/San Diego mg	0.0	0.0	5.0	5.0	41.67
TOTAL	2.2	4.8	5.0	12.0	100%

II. INVOICING AND PAYMENT.

2.1. CSC, as the LTM owner, shall require that the LTM Operator prepares and sends an invoice to Edison on or about the first business day of each month, detailing the cost to Edison for the LTM system charge for the previous month. The invoice shall include a detailed description of Edison's LTM System Charge, and Major Repair costs for the prior month, as provided in the 2000 Agreement.

III. ASSIGNMENT.

3.1. Neither this Agreement nor any duties or obligations of the Parties hereunder, shall be assigned without the prior written consent of the other Party.

IV. FORCE MAJEURE.

4.1. If an event constituting force majeure renders a Party unable to perform, in whole or in part, any obligation under this Agreement, that Party may suspend performance of such obligation for the duration of the event; provided, however, the Party claiming suspension shall notify the other Party of the details of the force majeure, as soon as reasonably practicable after the commencement of the event. A Party may suspend its performance only if the Party has no control over the event, or does not reasonably foresee the event, and cannot, by the exercise of due diligence, prevent or overcome the event constituting force majeure. Examples of events which could constitute force

majeure include, but are not limited to, the following: lightning, storm, earthquake, landslide, flood, washout, or other act of God; freezing, fire, explosion, rupture, breakage, or accident to pipeline, plant, machinery, or equipment; revolution, civil disturbance, sabotage, acts of the public enemies, war, blockade, insurrection, vandalism, riot, epidemic; or order of any court or regulatory authority.

V. NOTICES.

5.1. Any notice provided for herein shall be given in writing and shall be transmitted by personal delivery, prepaid first class mail of the United States Postal Service, or electronic transmission and delivery, with receipt confirmation, which address may be changed from time to time upon direction of a Party to the other:

City of San Clemente	910 Calle Negocio San Clemente, Ca. 92672 Attention: Director of Public Works
South Coast Water District	31592 West Street Laguna Beach, Ca. 92651 Attention: General Manager

VI. ENTIRE AGREEMENT.

6.1. This Agreement constitutes the entire, exclusive, final, and integrated statement of the terms of the Parties' agreement regarding the matters for which it provides. Accordingly, each Party acknowledges that, insofar as that Party had prior dealings with the other Party during negotiations, the Party specifically negates any legal effect of such prior dealings and negotiations and agrees to be bound by no other written or oral representations, warranties,

obligations, assurances, conditions, covenants, or agreements, except as specifically provided in the Agreement.

VII. AMENDMENT.

7.1. The Parties may, by mutual agreement, amend or modify this Agreement by a written amendment or modification duly executed and approved with the same formality as this Agreement.

VIII. ATTORNEYS' FEES.

8.1. If a dispute arises between the Parties about any rights or obligations provided in or related to this Agreement, the prevailing Party in any litigation or arbitration commenced to resolve such dispute shall be entitled to its costs of litigation, including reasonable attorneys' fees and expert witness fees or costs.

IX. ASSIGNMENT TO CSC.

9.1. Effective as of the Effective Date of the Reorganization (i) As to the LTM and Reservoir, Tri-Cities assigns the 2000 Agreement and all of Tri-Cities' rights thereunder to CSC and delegates all of Tri-Cities' obligations and liabilities owed to Edison thereunder to CSC, except for obligations that are thereafter assigned to and assumed by SCWD, as LTM Operator or otherwise; (ii) As the new LTM and Reservoir owner, CSC agrees to assume, perform, and be liable for all assigned rights, obligations, and liabilities owed to Edison by Tri-Cities under the 2000 Agreement related to the LTM and Reservoir and accepts the assignment of those obligations of Tri-Cities related to the LTM and Reservoir

under the 2000 Agreement including but not limited to, those assigned rights, obligations, and liabilities that accrued prior to the date of this Agreement to the same extent as if CSC had been an original party to the 2000 Agreement as of its effective date; and (iii) As to the LTM and Reservoir, Edison consents to this Assignment of Tri-Cities' rights and delegation of its duties under the 2000 Agreement from Tri-Cities to CSC.

9.2. This Agreement neither modifies nor amends any provision of the 2000 Agreement but merely restates its provisions related to the LTM and Reservoir, which CSC shall own after the Effective Date of the Reorganization.

X. EXECUTION.

10.1. This Agreement may be executed in any number of counterparts and, upon execution by Tri-Cities, SCWD, and CSC, each executed counterpart shall have the same force and effect as an original instrument, as if all of them had signed the same instrument. Tri-Cities, SCWD, and CSC, intending to be legally bound, execute this Agreement by the hands of their duly authorized representatives, and each signatory below represents that he/she is the representative who has been duly authorized to execute this Agreement on behalf of the entity for whom they sign.

XI. TERM.

11.1. Duration. This Agreement shall remain permanently in full force and effect unless terminated, modified, or amended by mutual agreement of CSC and SCWD.

XII. EFFECTIVE DATE.

12.1. This Agreement will be deemed to be effective one (1) day prior to the effective date of LAFCO Reorganization No. RO99-07 (the "Effective Date"). In the event LAFCO Reorganization No. RO99-07 is not completed on or before December 21, 2000, this Agreement shall be deemed null and void by the Parties hereto.

XIII. GENERAL.

13.1. Arbitration Provision. Any controversy or claim between any two or more Parties to this Agreement, in respect to LTMF operations, or to any claims, disputes, demands, differences, controversies, or misunderstandings arising under, out of, or in relation to this Agreement, or any breach thereof, shall be submitted to and determined by arbitration. To the extent not inconsistent herewith, the rules of the American Arbitration Association shall apply. The Party desiring to initiate arbitration shall give notice of its intention to arbitrate to every other Party to this Agreement. Such notice shall designate as "respondents" such other parties as the initiating Party intends to have bound by any award made therein. Any Party not so designated, but which desires to join in the arbitration, may, within ten (10) days of service upon it of such notice, file a response indicating its intention to join in and to be bound by the results of the arbitration, and further designating any other parties it wishes to name as a respondent. Within twenty (20) days of the service of the initial demand for arbitration, the American Arbitration Association (hereinafter referred to as "AAA"), shall submit simultaneously to the initiating Party and to all parties named as respondents or filing a response therein, an identical list of names of

persons chosen from the AAA National panel of Arbitrators, which persons shall be, to the extent possible, persons versed in the field of public water systems, as well as general public law. Each Party to the dispute shall have fifteen (15) days from the mailing date, in which to cross-off any names to which it objects, number the remaining names indicating the order of its preference, and return the list to the AAA. If a Party does not return the list within the time specified, all persons named therein shall be deemed acceptable. From among the persons who have been approved on both lists, in accordance with the designated order of mutual preference, the AAA shall invite the acceptance of an arbitrator to serve. If the parties fail to agree upon one of the persons named, or if an acceptable arbitrator is unable to act, or if for any other reason the appointment cannot be made from the submitted list, the AAA shall have the power to make the appointment of the arbitrator from other members of the panel without the submission of any additional list.

The arbitrator shall determine the rights of the Parties in accordance with the law, and the award shall be subject to review as to the arbitrator's application of the law by any Court having jurisdiction thereof, whether or not any mistake of law shall appear upon the face of the award. As to all questions of facts, however, the determination of the arbitrator shall be binding upon all Parties and shall be final. Any Party shall be entitled to written findings of fact and conclusions of law as to all issues determined by the award. Subject to the above limitations, the award shall be binding upon all Parties to the

arbitration, and judgment upon the award rendered by the arbitrator may be entered in any Court having jurisdiction thereof.

The arbitrator may, in his discretion, as part of the arbitration award, impose upon any one Party or allocate two or more of the Parties, the liability for the arbitration fees and expenses. Such allocable fees may include the administration fees, fees for second and subsequent hearings, postponement fees, and overtime fees. Allocable expenses may include the expenses of producing witnesses, the cost of stenographic records, the cost of any transcripts, travel expenses of the arbitrator, and tribunal administrator, the expenses of any witnesses, the costs of any proofs produced at the direct request of the arbitrator, and any other expenses relating directly to the arbitration. In the event of the failure of the arbitrator to provide for the allocation of such fees and expense, the arbitration fees shall be divided equally between the Parties, and the expenses shall be borne by the Party incurring them.

13.2. Severance. If any section, subsection, sentence, clause, or phrase of this Agreement, or the application thereof, to any of the Parties or any other person or circumstances is for any reason held invalid, the validity of the remainder of the Agreement, or the application of such provision to the other Parties, or to any other person or circumstances, shall not be affected thereby. Each of the Parties declares that it would have entered into this Agreement, and each section, subsection, sentence, clause, or phrase thereto, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases, or

the application thereof, to any Party to any other person or circumstance be held invalid.

13.3. Recitals/Calendar Days. The Parties agree the Recitals of this Agreement are true and correct, and are incorporated as part of this Agreement. All references to the term "days" in this Agreement, unless otherwise specified, shall mean calendar days.

13.4. Waiver. No waiver of any default by a Party or the Parties shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition.

13.5. No Third-Party Beneficiaries. There are no intended third-party beneficiaries of any right or obligation assumed by the Parties under this Agreement.

13.6. Governing Law and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any lawsuit, or arbitration proceeding, as provided for in Section 13.1. above, brought in connection with this Agreement shall be brought in the appropriate Court in the County of Orange, California, or conducted within Orange County.

13.7. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.

TRI-CITIES MUNICIPAL WATER DISTRICT

By _____
President

ATTEST:

_____
Secretary

APPROVED AS TO FORM

By _____

CITY OF SAN CLEMENTE

By _____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

By _____
City Attorney

SOUTH COAST WATER DISTRICT

By _____
President

ATTEST:

_____
Secretary

APPROVED AS TO FORM:

By _____

Exhibit "B"

Certification of Designated Operator

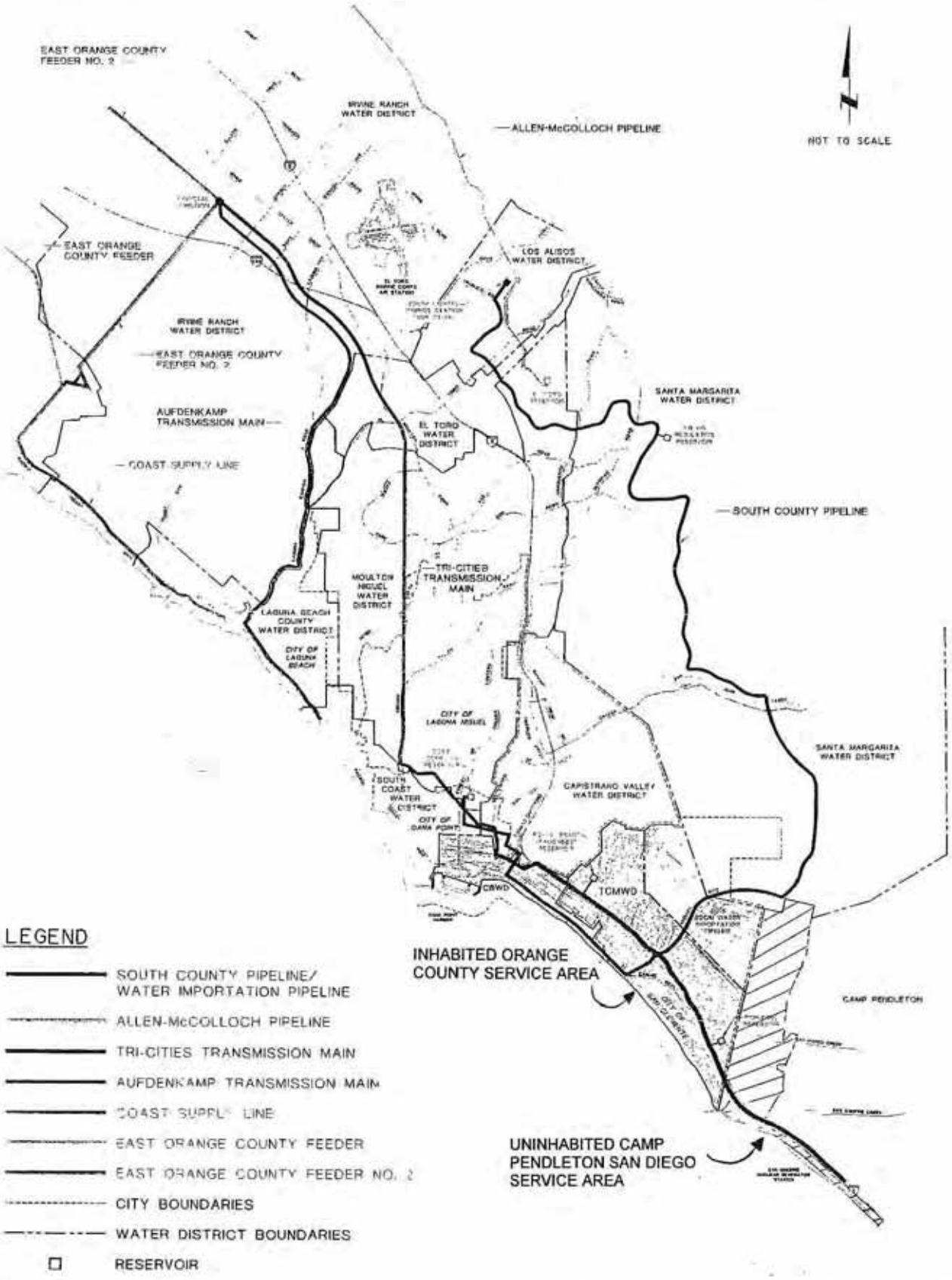
"By execution of this Certificate, the following as an authorized representative of [_____public agency_____] warrants and represents that by approval of its governing body on _____, ____, accepts [public agency]'s appointment as the "Designated Operator" under and pursuant to that certain agreement entitled "Amended and Restated Joint Exercise of Powers Agreement to Operate and Maintain the Joint Transmission Main Facilities", effective February 28, 2000 (the "Joint Powers Agreement"). [_____public agency_____] expressly acknowledges and assumes the rights, duties and obligations of the Designated Operator specified in the Joint Powers Agreement, including, but not limited to, the indemnity obligation set forth in Section 8.2 of the Joint Powers Agreement. This acceptance and assumption is effective as of the _____ day of _____, _____.

[Public Agency]

By: _____
Authorized Representative

Dated: _____

IMPORTED WATER SUPPLY SYSTEM



TRI-CITIES MUNICIPAL WATER DISTRICT

EXHIBIT A

SCHLEGEL RESERVOIR
WATER SERVICE AGREEMENT AND ASSIGNMENT

This SCHLEGEL RESERVOIR WATER SERVICE AGREEMENT AND ASSIGNMENT ("Assignment"), is made and entered into, between:

TRI-CITIES MUNICIPAL WATER DISTRICT, a municipal water district, hereinafter referred to as "Tri-Cities," "Assignor," or "Party,"

SOUTHERN CALIFORNIA EDISON COMPANY, a California corporation ("SCE"), for itself and on behalf of SAN DIEGO GAS AND ELECTRIC COMPANY, a California corporation ("SDG&E"), the CITY OF ANAHEIM, a municipal corporation of the State of California ("Anaheim"), and CITY OF RIVERSIDE, a municipal corporation of the State of California ("Riverside"), hereinafter collectively referred to as "Edison" or "Party,"

and

THE CITY OF SAN CLEMENTE, hereinafter referred to as "CSC" or "Assignee, or "Party."

RECITALS

A. Edison owns the San Onofre Nuclear Generating Station ("SONGS"), located upon land owned by the Federal Government on the coast of extreme northern San Diego County. Edison requires that SONGS have a permanent, reliable source of fresh potable water.

B. Tri-Cities and Edison were parties to that certain "Water Service and Reservoir Construction Agreement," dated December 7, 1983 ("1983 Agreement") under the terms of which Edison received water from Tri-Cities until January 31, 2000.

C. Under the 1983 Agreement, Tri-Cities utilized the Tri-Cities Joint Transmission Main facilities ("JTM"), the Local Transmission Main facilities ("LTM"), the Schlegel Reservoir ("Reservoir"), which is located in the City of San Clemente, County of Orange, State of California, and the San Onofre Feeder ("Feeder") (the JTM, LTM, Reservoir, and Feeder are collectively referred to as "System") to supply water to SONGS. Pursuant to the 1983 Agreement, Edison paid approximately $2,000,000 to construct the Reservoir and approximately $4,000 to purchase 5,000,000 gallons of water stored in the Reservoir for emergencies.

D. Tri-Cities, Edison, and South Coast Water District ("SCWD") are parties to that certain "Water Service Agreement," dated January 31, 2000 ("2000 Agreement") under the terms of which Edison currently receives water from Tri-Cities through the System.

E. The 2000 Agreement did not alter the terms of the annexation of the SONGS site into the Metropolitan Water District of Southern California ("MWD"), under which Edison paid for and was granted the right to 3.67 cfs of the total capacity of 5.07 cfs that the MWD allocated to the San Diego County Water Authority for San Diego customers. Edison has assigned 0.60 cfs of its capacity rights for the use of Camp Pendleton under separate agreement with the United States of America, acting through the Southwest Division, Naval Facilities Engineering Command. Under the 2000 Agreement Edison released 1.07 cfs of its previously purchased rights to CSC and SCWD ("Released Capacity"), in a proportion as agreed to between these entities.

F. The Orange County Local Agency Formation Commission ("LAFCO") approved an Application for Consolidation of Tri-Cities with the Coastal Municipal Water District, designated by LAFCO as Reorganization No. RO 99-07 ("Consolidation"), to become effective on March 31, 2000 ("Effective Date").

G. Upon the Effective Date of the Consolidation, CSC will succeed to Tri-Cities' ownership interest in the LTM and the Reservoir. Pursuant to a separate agreement, SCWD will operate and maintain the LTM on behalf of CSC ("LTM Operator"). CSC will be responsible for the day-to-day operations and maintenance of the Reservoir and will perform certain water service functions previously performed by Tri-Cities ("Reservoir Operator").

H. Pursuant to its express terms, on the Effective Date of the Consolidation the 2000 Agreement shall be automatically assigned to SCWD, who shall assume Tri-Cities' obligations under the 2000 Agreement to operate and maintain the JTM, LTM, and Feeder to continue to provide water service to Edison at SONGS.

I. The Parties intend that this Assignment become effective on the Effective Date of the Consolidation and that CSC, as the Reservoir Operator and owner and owner of the LTM, assume Tri-Cities' obligations to Edison under the 2000 Agreement related to operation and maintenance the LTM and Reservoir.

NOW, THEREFORE, IN CONTEMPLATION OF THE PREVIOUSLY STATED FACTS, AND IN CONSIDERATION OF THEIR MUTUAL PROMISES, THE PARTIES AGREE TO THE FOLLOWING:

SECTION 1. WATER SERVICE AND CAPACITY THROUGH THE LTM.

A. Quantity: Subject to interruptions under Section 2 of the 2000 Agreement, CSC, as owner of the LTM, shall require and insure that the LTM Operator or its replacement provides Edison with up to two (2.00) cubic feet of water per second ("cfs"), averaged over the billing period ("Contractual Capacity"), through the LTM, which shall then flow through the San Onofre Feeder to the San Onofre turnout, in order to satisfy the water needs of SONGS under normal operating conditions. During unusual emergency conditions, however, CSC agrees that Edison's allocated flow rate shall be increased to five (5.00) cfs for periods not to exceed sixty (60) hours per occurrence.

B. Right to Recover Released Capacity: If Edison needs additional capacity in the future, it shall have the right to recover up to 1.07 cfs of the Released Capacity on the LTM, reduced by the rights to any capacity that it has otherwise transferred to others before that time, without further transfer charge on or before December 31, 2023. After that date and during the term of this Assignment, Edison shall have the right of first refusal for any such unreclaimed Released Capacity.

C. Pressure: CSC, as the LTM owner, shall require and insure that the LTM Operator or its replacement operate the LTM to maintain residual water pressure of no less than 45 psi at the meter connection at the San Onofre turnout.

SECTION 2. ASSURANCE OF SERVICE.

CSC, as the owner of the LTM, shall require and insure that the LTM Operator maintains and operates the LTM to provide a continuous supply of water at the pressure and in the quantity and quality specified in Section 1 of this Assignment and pursuant to its obligations under the terms of the 2000 Agreement.

SECTION 3. EDISON'S USE OF SCHLEGEL RESERVOIR.

A. Reservation for Edison's Benefit: On the Effective Date of the Consolidation, CSC will own and operate the Reservoir in which Edison owns and stores 5,000,000 gallons of water. After the Effective Date of the Consolidation, Edison desires to continue to store its water in the Reservoir, and CSC agrees to store and reserve 5,000,000 gallons of water in the Reservoir for Edison's benefit.

Upon demand by Edison, CSC agrees to release and deliver up to 5,000,000 gallons to Edison at SONGS through the LTM.

B. Reduction in Reservoir Volume: As the owner and Reservoir Operator, CSC shall exercise its best efforts to maintain a minimum of 5,000,000 gallons of water in the Reservoir. CSC shall notify Edison in writing thirty (30) days before any scheduled maintenance that will reduce the volume of water in the Reservoir below 5,000,000 gallons. CSC shall exert all reasonable efforts to coordinate the timing of such scheduled maintenance operations with the operational schedule of SONGS. If CSC cannot provide such 30-day notice for reasons beyond its reasonable control, CSC shall provide the maximum notice possible to Edison before reducing the volume of water in the Reservoir below 5,000,000 gallons.

SECTION 4. TERM.

A. Effective Date: This Assignment shall take effect on the Effective Date of the Consolidation and, except as provided in Section 15D, shall remain permanently in full force and effect unless terminated, modified, or amended by mutual agreement of CSC and Edison.

B. Termination: If the property where SONGS is located is no longer used as an operating or non-operating power generation facility, including periods for decommissioning such facilities, or for military purposes, or related uses, either CSC or Edison may terminate this Assignment by prior written notice to the other Party, which termination shall become effective sixty (60) days after receipt of such notice.

SECTION 5. SYSTEM CHARGE.

A. LTM System Charge: CSC, as the LTM owner, shall require and insure that the LTM Operator's Board of Directors establish from time to time, a System Charge for Edison's use of the LTM. The LTM component of the System Charge shall be calculated as Edison's pro rata share of administration, operation, maintenance, and capital reserve replacement costs associated with the LTM, as shown on the map identified as Exhibit B to the 2000 Agreement. Except as otherwise expressly provided in this Assignment, Edison's pro rata share of such costs shall be the fraction of such costs that Edison's Contractual Capacity represents to the total capacity at each section or reach in the LTM.

B. Reservoir System Charge: CSC shall not charge Edison for holding or releasing Edison's water in or from the Reservoir.

C. Operations and Maintenance Costs.

1. Definition of Operations and Maintenance Costs. Operations and Maintenance ("O&M") Costs are the necessary and actual costs of operating and maintaining the LTM, based on standard accounting and engineering principles in the water service industry, including those expenses identified in this section, which are necessary and proper to maintain and preserve the LTM in good repair and working order. O&M Costs shall not include depreciation, obsolescence charges, amortization of intangibles, or other bookkeeping entries of a similar nature. O&M Costs shall include the following:

- The actual cost of necessary labor to operate the LTM, including the cost of actual salaries and benefits and necessary legal, insurance, accounting, and identifiable administrative services ("Administrative Costs");
- Repair or replacement items not to exceed Fifty Thousand Dollars ($50,000.00) per item;

- The actual costs of necessary supplies and materials needed to provide water service, including delivery charges and applicable taxes, but no mark-up of such costs.
- The costs of necessary utilities, such as electricity, gas, and telephone;
- The standard cost of items in inventory;
- The cost of rental equipment at fair market rental rates; and
- The cost of contracting for third parties to provide the services for the above-listed items authorized by this Assignment or the 2000 Agreement.

2. Allocation of Costs. O&M Costs shall consist of two (2) components: fixed costs and variable costs. Fixed costs are those O&M Costs that benefit the entire LTM and are incurred regardless of actual water consumption and use by the customers using the LTM. A pro rata share of such fixed costs shall be allocated to Edison based on Edison's Contractual Capacity compared to the total capacity in the LTM at each reach or section. Variable costs are those O&M Costs not otherwise defined as fixed costs. CSC, as the LTM owner, shall require and insure that the LTM Operator allocates a fraction of variable costs to Edison based on its actual water use compared to the total volume flowing in the LTM.

D. Capital Improvements

1. Definition of Capital Improvements Costs. Capital Improvement Costs are those required for necessary capital improvements, adjustments, repairs, or replacements to the LTM with a cost in excess of Fifty Thousand Dollars ($50,000.00), including associated necessary Administrative Costs. All such costs shall be described in detail in the proposed and adopted annual budget.

2. Allocation of Capital Improvement Costs. CSC, as the LTM owner, shall require and insure that the LTM Operator allocates Capital Improvement Costs to Edison based on the proportion that its Contractual Capacity represents to the total capacity in each reach or section of the LTM.

E. Non-Budgeted Major Repair Costs.

1. Definition of Major Repair Costs. Major repairs are those repairs that cost over Fifty Thousand Dollars ($50,000.00) and that have not been anticipated or included in the LTM Operator's annual budget. If such Major Repairs become necessary to preserve continuous operation of the LTM, CSC's LTM Operator shall make such repairs.

2. Allocation of Non-Budgeted Major Repair Costs. CSC, as the LTM owner, shall require and insure that the LTM Operator allocates Non-Budgeted Major Repair Costs to Edison based on the proportion that its Contractual Capacity represents to the total capacity in each reach or section of the LTM.

SECTION 6. INVOICING AND PAYMENT.

CSC, as the LTM owner, shall require and insure that the LTM Operator prepares and sends an invoice to Edison on or about the first business day of each month, detailing the cost to Edison for the LTM system charge for the previous month. The invoice shall include a detailed description of Edison's LTM System Charge, and Major Repair costs for the prior month, as provided in Section 5. The LTM Operator may, at its discretion, invoice Edison for unbudgeted Major Repair Costs in one lump sum, prior to awarding any contracts for such improvements or repairs, or on a monthly basis to coincide with contract progress payment schedules. Edison shall pay the full amount of each invoice within thirty (30) days of its receipt.

SECTION 7. SUBSEQUENT ASSIGNMENTS.

If CSC or any successor to its interests in the LTM or Reservoir reorganizes or otherwise disposes of the LTM or Reservoir, CSC or such successor in interest shall make further assignment of this Assignment to any subsequent successor in interest a condition of such reorganization or sale. The provisions of this Assignment shall inure to and be for the benefit of the Parties hereto, and their respective successors, assigns, and all other persons acquiring all or any interest herein, either by operation of law or in any manner whatsoever.

SECTION 8. FORCE MAJEURE.

If an event constituting force majeure renders a Party unable to perform, in whole or in part, any obligation under this Assignment, that Party may suspend performance of such obligation for the duration of the event; provided, however, the Party claiming suspension shall notify the other Party of the details of the force majeure, as soon as reasonably practicable after the commencement of the event. A Party may suspend its performance only if the Party has no control over the event, does not reasonably foresee the event, and cannot, by the exercise of due diligence, prevent or overcome the event constituting force majeure. Examples of events which could constitute force majeure include, but are not limited to, the following: lightning, storm, earthquake, landslide, flood, washout, or other act of God; freezing, fire, explosion, rupture, breakage, or accident to pipeline, plant, machinery, or equipment; revolution, civil disturbance, sabotage, acts of the public enemies, war, blockade, insurrection, vandalism, riot, epidemic; or order of any court or regulatory authority.

SECTION 9. NOTICES.

Any notice provided for herein shall be given in writing and shall be transmitted by personal delivery, prepaid first class mail of the United States Postal Service, or electronic transmission and delivery, with receipt confirmation, which address may be changed from time to time upon direction of a Party to the other:

To Edison (Interruptions of Service):	Southern California Edison Company San Onofre Nuclear Generating Station Attention: Vice President, Nuclear Generation, and Site Manager Post Office Box 128 San Clemente, CA 92674-0128 Phone: 949-368-6255 FAX: 949-368-6183
To Edison (All Other):	Southern California Edison Company San Onofre Nuclear Generating Station Attention: Manager, Site Support Services Post Office Box 128, Bldg. W-44 San Clemente, CA 92674-0128 Phone: 949-368-9940 FAX: 949-368-6560
To CSC:	The City of San Clemente Attention: Utility Manager 380 Avenue Pico, Bldg. N San Clemente, CA 92672 Phone: 949-361-6150 FAX: 949-361-8234

SECTION 10. ENTIRE AGREEMENT.

This Assignment constitutes the entire, exclusive, final, and integrated statement of the terms of the Parties' agreement regarding the matters for which it provides. Accordingly, each Party acknowledges that, insofar as that Party had prior dealings with the other Party during negotiations, the Party specifically negates any legal effect of such prior dealings and negotiations and agrees to be bound by no other written or oral representations, warranties, obligations, assurances, conditions, covenants, or agreements, except as specifically provided in the Assignment.

SECTION 11. MODIFICATION OF ASSIGNMENT.

The Parties may, by mutual agreement, amend or modify this Assignment by a written amendment or modification duly executed and approved with the same formality as this Assignment.

SECTION 12. SEVERABILITY AND SURVIVAL OF ASSIGNMENT.

If any term of this Assignment is rendered unenforceable, in any manner whatsoever, the remaining terms shall remain fully effective and enforceable.

SECTION 13. ATTORNEYS' FEES.

If a dispute arises between the Parties about any rights or obligations provided in or related to this Assignment, the prevailing Party in any litigation commenced to resolve such dispute shall be entitled to its costs of litigation, including reasonable attorneys' fees.

SECTION 14. AUTHORITY TO ACT AS AGENT.

SCE represents and warrants that it is duly authorized, pursuant to the "Second Amended San Onofre Operating Agreement Among Southern California Edison Company, San Diego Gas & Electric Company, City of Anaheim, and City of Riverside," dated February 26, 1987, to execute this Assignment as principal on its own behalf and as the operating agent for SDG&E, Anaheim, and Riverside.

SECTION 15. ASSIGNMENT TO CSC.

A. Effective as of the Effective Date of the Consolidation: (1) As to the LTM and Reservoir, Assignor assigns the 2000 Agreement and all of Assignor's rights thereunder to Assignee and delegates all of Assignor's obligations and liabilities owed to Edison thereunder to Assignee, except for obligations that are thereafter assigned to and assumed by SCWD, as LTM Operator or otherwise; (2) As the new LTM and Reservoir owner, Assignee agrees to assume, perform, and be liable for all assigned rights, obligations, and liabilities owed to Edison by Assignor under the 2000 Agreement related to the LTM and Reservoir and accepts the assignment of those obligations of Assignor related to the LTM and Reservoir under the 2000 Agreement including but not limited to, those assigned rights, obligations, and liabilities that accrued prior to the date of this Assignment, to the same extent as if Assignee had been an original party to the 2000 Agreement as of its effective date; and (3) As to the LTM and Reservoir, Edison consents to this Assignment of the Assignor's rights and delegation of its duties under the 2000 Agreement from Assignor to Assignee.

B. Edison is not a party to and has no obligation under any documents or agreements related to the Consolidation other than those it has executed through its authorized representatives related to this Assignment and the 2000 Agreement. To the extent that this Assignment or the 2000 Agreement is inconsistent with any other such documents or agreements, this Assignment and the 2000 Agreement shall govern the relationships between and among Tri-Cities, CSC, and Edison, with the 2000 Agreement governing over this Assignment.

C. As to the LTM and Reservoir, Assignee agrees to pay and to indemnify and hold Edison harmless from any loss, liability, damage, claim, cost and expense (including, without limitation, any direct, indirect, or consequential loss, liability, damage, claim, cost or expense, including attorneys fees, legal costs, and other expenses) connected with or arising out of the Consolidation or this Assignment.

D. This Assignment neither modifies nor amends any provision of the 2000 Agreement but merely restates its provisions related to the LTM and Reservoir, which CSC shall own after the Effective Date of the Consolidation. This Assignment shall continue in effect until termination of the 2000 Agreement, unless otherwise agreed to by the Parties, but such termination of the 2000 Agreement or this Assignment shall not extinguish any obligation or liability owed by any Party to another on the date of such termination.

This Assignment may be executed in any number of counterparts and, upon execution by Tri-Cities, Edison, and CSC, each executed counterpart shall have the same force and effect as an original instrument, as if all of them had signed the same instrument. Tri-Cities, Edison, and CSC, intending to be legally bound, execute this Assignment by the hands of their duly authorized representatives, and each signatory below represents that s/he is the representative who has been duly authorized to execute this Assignment on behalf of the entity for whom they sign:

TRI-CITIES MUNICIPAL WATER DISTRICT

By: Ray Benedicktus

Ray Benedicktus

Title: President

Date: 3-22-2000

APPROVED AS TO FORM:

By: _____

Richard S. Rockwell, Attorney

Date: _____

ATTESTATION:

By: Donald R Peterson

Secretary, Tri-Cities Board of Directors

Date: 3-22-00

THE CITY OF SAN CLEMENTE

By: _____

Title: Mayor

Date: 3-16-00

APPROVED AS TO FORM:

By: _____

Name: JEFFREY M. ODERMAN

Date: March 15, 2000

ATTESTATION:

By: Myrna Erway

Name: Myrna Erway

Date: 3-16-00

SOUTHERN CALIFORNIA EDISON COMPANY, for itself, SDG&E, ANAHEIM, AND RIVERSIDE

By: _____

Dwight E. Nunn, Jr.

Title: Vice President

Date: March 14, 2000

APPROVED:

STEPHEN E. PICKETT

Vice President and General Counsel

By: _____

Annette Gilliam, Attorney

Date: March 7, 2000

Water Service Agreement – State Parks

WATER SERVICE AGREEMENT

(State)

This WATER SERVICE AGREEMENT ("Agreement"), executed in counterparts and effective as of the Effective Date, is entered into by and between:

TRI-CITIES MUNICIPAL WATER DISTRICT, a municipal water district, hereinafter referred to as "Tri-Cities," "Assignor," or "Party,"

THE STATE OF CALIFORNIA, acting through the Department of Parks & Recreation ("State"),

and

SOUTH COAST WATER DISTRICT, a county water district, hereinafter referred to as "SCWD" or "Assignee."

RECITALS

WHEREAS, State, pursuant to the provisions of Section 5003 of the Public Resources Code, must administer, protect and develop the State Park System for the use and enjoyment of the public; and

WHEREAS, State has developed a park, known as San Onofre State Beach; and

WHEREAS, State has the need for a permanent, reliable domestic, potable water supply to meet the needs of the San Onofre State Beach; and

WHEREAS, the State entered into an agreement with Tri-Cities Municipal Water District ("TCMWD") entitled, "Water Service Agreement," dated February 15, 1978; and

WHEREAS, the Orange County Local Agency Formation Commission ("LAFCO") is considering an application for the reorganization of TCMWD; and

WHEREAS, in accordance with the reorganization of TCMWD, SCWD will become the Designated Operator of certain TCMWD facilities and will perform certain water service functions previously carried out by TCMWD; and

WHEREAS, Coastal Municipal Water District ("CMWD") and Municipal Water District of Orange County ("MWDOC") passed a joint resolution granting to SCWD the authority to negotiate this agreement on their behalf.

WHEREAS, on the Effective Date of this Agreement, the parties hereby agree that the SCWD will provide a permanent reliable source of domestic potable water to serve the State in accordance with the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, in contemplation of the previously stated facts, and in consideration of their mutual promises, the Parties agree to the following:

SECTION 1. WATER SUPPLY

A. Quantity: Subject to interruptions under Section 2 of this Agreement, Tri-Cities agrees to provide State with up to eight one-hundredths (0.08) cubic feet of water per second ("cfs"), averaged over the billing period ("Contractual Capacity"), through the San Onofre Feeder at the San Onofre turnout, to satisfy the water needs of State under normal operating conditions.

B. MWD Annexation Rights: This Agreement does not alter the terms of the annexation of the State territory site into the Metropolitan Water District of Southern California ("MWD"), to the San Diego County Water Authority and Tri-Cities.

C. Pressure: Tri-Cities further agrees to operate its system to maintain residual water pressure of no less than 45 psi on the Tri-Cities side of the meter connection at the San Onofre turnout.

D. Quality: Tri-Cities shall normally supply water under this Agreement of the same quality as water that the MWD delivers to Tri-Cities. Tri-Cities shall have the right to also supply State with water from its independent supplemental water supplies, which may differ in quality from that of MWD water; provided, such water shall satisfy all applicable Federal and State domestic water quality standards. Tri-Cities shall not supply water of any lower quality than water delivered to Tri-Cities.

SECTION 2. INTERRUPTIONS OF WATER SUPPLY.

Tri-Cities shall exercise its best efforts to maintain and operate its water system to insure a continuous supply of water at the pressure and in the quantity and quality specified in Section 1 of this Agreement. Tri-Cities shall notify State in writing thirty (30) days before any scheduled maintenance that might curtail water service to State. Tri-Cities shall exert all reasonable efforts to coordinate the timing of such scheduled maintenance operations with the operational schedule of State. If Tri-Cities cannot provide such 30-day notice, for reasons beyond its reasonable control, Tri-Cities shall provide the maximum notice possible to State before reducing the quantity, quality, or pressure of water to State.

SECTION 3. TERM.

A. Effective Date: This Agreement will be deemed to be effective one (1) day prior to the effective date of LAFCO Reorganization No. RO99-07 (the "Effective Date

B. Effect of Consolidation Application: This Agreement shall survive the approval by LAFCO of the Consolidation Application.

C. Termination. If San Onofre State Beach is no longer used by the State of California, either party can terminate this agreement by prior written notice to the other party, which termination shall become effective 60 days after receipt of such notice.

SECTION 4. PRICE.

A. Water Rate: The Tri-Cities Board of Directors ("Board"), and upon the Effective Date, the SCWD Board, shall establish the water rate for water delivered to State pursuant to this Agreement from time to time, which shall consist of a Water Charge and a System Charge.

1. Water Charge: The Water Charge shall be calculated by multiplying the quantity of water consumed by State each month by the sum of: (1) the rate paid by Tri-Cities for the purchase of wholesale water; and (2) the applicable SDCWA charges.

2. System Charge: The System Charge shall be calculated as State's pro rata share of administration, operation, maintenance, and capital reserve replacement costs associated with the System, as shown on the map identified as Exhibit A, attached to and by this reference incorporated into this Agreement. Except as provided in Section 5B of this Agreement, State's pro rata share of such costs shall be the fraction of such costs that State's Contractual Capacity represents to the total capacity at each section or reach of the System.

3. Monthly Installments: Tri-Cities shall divide the allocated System costs by twelve (12) to determine the System Charge that State shall pay each month.

4. Annual Budget: Tri-Cities shall provide State with a complete copy of any proposed annual budget and supporting work papers at least forty-five (45) days before any vote to adopt such budget. State shall have the right to submit comments on the proposed annual budget to the Board and a proposed alternative budget before the hearing on the proposal. Upon request by State within fifteen (15) days of receiving the proposed annual budget, Tri-Cities shall, within ten (10) days of such request, provide State with any additional background data that State reasonably requires to analyze and evaluate the proposed budget. State shall submit any comments or proposed alternative budget to the Board at least seven (7) days before the hearing on the new annual budget.

B. Operations and Maintenance Costs.

1. Definition of Operations and Maintenance Costs. Operations and Maintenance ("O&M") Costs are the necessary and actual costs of operating and maintaining the System, based on standard accounting and engineering principles in the water service industry, including those expenses identified in this section, which are necessary and proper to maintain and preserve the System in good repair and working order. O&M Costs shall not include depreciation, obsolescence charges, amortization of intangibles, or other bookkeeping entries of a similar nature. O&M Costs shall include the following:

a. The actual cost of necessary labor to operate the System, including the cost of actual salaries and benefits and necessary legal, insurance, accounting, and identifiable administrative services ("Administrative Costs");

b. Repair or replacement items not to exceed Fifty Thousand Dollars ($50,000.00) per item;

c. The actual costs of necessary supplies and materials needed to provide water service, including delivery charges and applicable taxes, but no mark-up of such costs.

d. The costs of necessary utilities, such as electricity, gas, and telephone;

e. The standard cost of items in inventory;

f. The cost of rental equipment at fair market rental rates; and

g. The cost of contracting for third parties to provide the services for the above-listed items authorized by this Agreement.

2. Allocation of Costs. O&M Costs shall consist of two (2) components: fixed costs and variable costs. Fixed costs are those O&M Costs that benefit the entire system and are incurred regardless of actual water consumption and use by the customers using the system. A pro rata share of such fixed costs shall be allocated to State based on State's Contractual Capacity compared to the total capacity in the System at each reach or section of the System. Variable costs are those O&M Costs not otherwise defined as fixed costs. Tri-Cities shall allocate a fraction of variable costs to State based on its actual water use compared to the total volume flowing in the System.

C. Capital Improvements

1. Definition of Capital Improvements Costs. Capital Improvement Costs are those required for necessary capital improvements, adjustments, repairs, or replacements to the System with a cost in excess of Fifty Thousand Dollars ($50,000.00), including associated necessary Administrative Costs. All such costs shall be described in detail in the proposed and adopted annual budget.

2. Allocation of Capital Improvement Costs. Tri-Cities shall allocate Capital Improvement Costs to State based on the proportion that its Contractual Capacity represents to the total capacity in each reach or section of the System.

D. Non-Budgeted Major Repair Costs.

1. Definition of Major Repair Costs. Major repairs are those repairs that cost over Fifty Thousand Dollars ($50,000.00) and that have not been anticipated or included in the annual budget. If such Major Repairs become necessary to preserve continuous operation of the System, Tri-Cities shall make such repairs.

2. Allocation of Non-Budgeted Major Repair Costs. Tri-Cities shall allocate Non-Budgeted Major Repair Costs to State based on the proportion that its Contractual Capacity represents to the total capacity in each reach or section of the System.

3. State agrees to make budget request for and diligently seek funds for the State's proportionate share of the Capital Improvements or Major Repairs. Tri-Cities agrees to notify State of Tri-Cities' Capital Improvement project plans and cost projections as soon as they become available to Tri-Cities. Tri-Cities and State agree such notification will assist in the timely payment of the State's proportionate share of these costs.

4. During such times while State has received a lump sum billing from Tri-Cities and when the funds have been obtained by State, State shall have the option of making progress payments in such amounts as will permit monthly payments, including water delivery, to not exceed 200% of normal monthly billings.

SECTION 5. WATER IMPORTATION PIPELINE ("WIP").

The STATE does not have capacity in the Water Importation Pipeline (WIP). During such times that the JTM is rendered inoperable due to maintenance or emergencies, Tri-Cities may supply water to the STATE from the WIP. For any water supplied to the STATE from the WIP, a twenty (20) percent fee shall be charged to the wholesale water rate. This fee will cover all administrative, operation and maintenance costs as defined in this Agreement associated with the WIP. No other charges/expenses, whether O&M or major repairs or Capital Improvements, associated with the WIP are to be assigned to the STATE.

Nothing in this Agreement shall preclude Tri-Cities from seeking and establishing alternate source (s) of water, or the STATE from contributing from funds appropriated specifically for the capital cost of designing and constructing facilities for such alternate source or agreeing to pay a different rate for water from such alternate source. However, this Agreement must be amended by mutual agreement to effect the purpose of this paragraph.

SECTION 6. INVOICING AND PAYMENT.

Tri-Cities shall prepare and send an invoice to State on or about the first business day of each month, detailing the cost to State for water supplied to State for the previous month. The invoice shall include a detailed description of State's Water Charge and System Charge and any WIP surcharge for the prior month, as provided in Sections 4a

and 5. State shall pay the full amount of each invoice within sixty (60) days of its receipt.

Tri-Cities will invoice State separately for unbudgeted Major Repair Costs and may, at its discretion, invoice State for unbudgeted Major Repair Costs in one lump sum, prior to awarding any contracts for such improvements or repairs, or on a monthly basis to coincide with contract progress payment schedules. Subject to availability of funding, State will pay such invoice within one hundred twenty (120) days of receipt of the invoice or as indicated in Section 5. In the event that funds are not available in the State's current budget, State will take steps to include funds in the next available State budget.

SECTION 7. ASSIGNMENT.

If Tri-Cities or any successor to its interests in its facilities reorganizes or otherwise disposes of the Tri-Cities facilities needed to provide service to State under this Agreement, Tri-Cities or such successor in interest shall make assignment of this Agreement to any initial or subsequent successor in interest a condition of such consolidation, reorganization or sale. The provisions of this Agreement shall inure to and be for the benefit of the Parties hereto, and their respective successors, assigns, and all other persons acquiring all or any interest herein, either by operation of law or in any manner whatsoever.

SECTION 8. NOTICES.

Any notice provided for herein shall be given in writing and shall be transmitted by personal delivery, prepaid first class mail of the United States Postal Service, or electronic transmission and delivery, with receipt confirmation, which address may be changed from time to time upon direction of a Party to the other:

To Tri-Cities:
Tri-Cities Municipal Water District
851 Calle Agua
San Clemente, CA 92672

To State:
District Superintendent
State of California
Department of Parks and Recreation
Orange Coast District
3030 Avenida del Presidente
San Clemente, CA 92672

To SCWD:
South Coast Water District
31592 West Street
Laguna Beach, CA 92651
Attention: General Manager

SECTION 9. FORCE MAJEURE.

If an event constituting force majeure renders a Party unable to perform, in whole or in part, any obligation under this Agreement, that Party may suspend performance of such obligation for the duration of the event; provided, however, the Party claiming suspension shall notify the other Party of the details of the force majeure, as soon as reasonably practicable after the commencement of the event. A Party may suspend its performance only if the Party has no control over the event, does not reasonably foresee the event, and cannot, by the exercise of due diligence, prevent or overcome the event constituting force majeure. Examples of events which could constitute force majeure include, but are not limited to, the following: lightning, storm, earthquake, landslide, flood, washout, or other act of God; freezing, fire, explosion, rupture, breakage, or accident to pipeline, plant, machinery, or equipment; revolution, civil disturbance, sabotage, acts of the public enemies, war, blockade, insurrection, vandalism, riot, epidemic; or order of any court or regulatory authority.

SECTION 10. ENTIRE AGREEMENT.

This Agreement constitutes the entire, exclusive, final, and integrated Statement of the terms of the Parties' agreement regarding the matters for which it provides. Accordingly, each Party acknowledges that, insofar as that Party had prior dealings with the other Party during negotiations, the Party specifically negates any legal effect of such prior dealings and negotiations and agrees to be bound by no other written or oral representations, warranties, obligations, assurances, conditions, covenants, or agreements, except as specifically provided in the Agreement.

SECTION 11. MODIFICATION OF AGREEMENT.

The Parties may, by mutual agreement, amend or modify this Agreement by a written amendment or modification duly executed and approved with the same formality as this Agreement.

SECTION 12. SEVERABILITY AND SURVIVAL OF AGREEMENT.

If any term of this Agreement is rendered unenforceable, in any manner whatsoever, the remaining terms shall remain fully effective and enforceable.

SECTION 13. CANCELLATION OF EXISTING AGREEMENT.

This Agreement supersedes the February 15, 1978 Water Service Agreement in its entirety as of its effective date.

SECTION 14. SETTLEMENT AND RELEASE OF CLAIMS.

Each Party hereby waives its right to assert any claim for damages against the other Party for violation of the 1978 Agreement after the effective date of this Agreement. Each Party certifies that, with respect to claims being released by this

Agreement, it has read and understands the following provisions of California Civil Code Section 1542 and waives its protection:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Each Party hereby represents to the other Party that it understands and acknowledges the significance and consequence of waiving the protection of California Civil Code Section 1542 is that, even if a Party should eventually discover an additional basis for a claim against the other Party arising out of or related to the 1978 Agreement, that Party may not later assert any claim for those damages. Furthermore, each Party acknowledges that it intends these consequences even as to claims that may exist as of the date of this Agreement but which it does not know exists, and which, if known, would materially affect its decision to execute this release, regardless of whether its lack of knowledge arose through its ignorance, oversight, error, negligence, or any other cause.

SECTION 15. ATTORNEYS' FEES.

If a dispute arises between the Parties about any rights or obligations provided in or related to this Agreement, the prevailing Party in any litigation commenced to resolve such dispute shall be entitled to its costs of litigation, including reasonable attorneys' fees.

SECTION 16. AUTHORITY TO ACT AS AGENT.

State represents and warrants that it is duly authorized to execute this Agreement.

SECTION 17. ASSIGNMENT TO SCWD.

Effective as of the day before the effective date of the Consolidation: (1) Assignor assigns this Agreement and all of Assignor's rights hereunder to Assignee and delegates all of Assignor's obligations and liabilities owed to State hereunder to Assignee, except for obligations related to the Schlegal Reservoir that are thereafter assumed by CSC; (2) Assignee agrees to assume, perform, and be liable for all such rights, obligations, and liabilities owed to State by Assignor under this Agreement and accepts the assignment of the Agreement and all such assigned rights, obligations, and liabilities including but not limited to, those assigned rights, obligations, and liabilities that accrued prior to the date of this assignment, to the same extent as if Assignee had been an original party to the Agreement as of its effective date; and (3) State consents to such assignment of this Agreement from Assignor to Assignee ("Assignment").

State is not a party to and has no obligation under any documents or agreements related to the consolidation other than those related to this Agreement and the Assignment of its provisions after the effective date of the consolidation.

A. Assignor agrees to remain jointly and severally liable with Assignee for each and every assigned obligation and liability that accrued after the effective date of this Agreement and before the date of this Assignment. Assignee agrees to be jointly and severally liable to pay and to indemnify and hold State harmless from any loss, liability, damage, claim, cost and expense (including, without limitation, any direct, indirect, or consequential loss, liability, damage, claim, cost or expense, including attorneys fees, legal costs, and other expenses) connected with or arising out of the Consolidation or the Assignment.

B. The Assignment neither modifies nor amends any provision of this Agreement. It shall continue in effect until termination of the Agreement. Termination of the Agreement and Assignment, however, shall not extinguish any obligation or liability owed by any Party to another on the date of such termination.

SECTION 18. NONDISCRIMINATION.

Any discrimination by SCWD or his or her agents or employees against any person because of the race, color, religion, sex, marital status, national origin, or ancestry of that person is prohibited.

As part of compliance with the foregoing, SCWD and SCWD's employees shall not discriminate because of race, religion, color, ancestry, sex, age, national origin, physical handicap, or sexual preference against any person by refusing to furnish such person any accommodation, facility, service, or privilege offered to or enjoyed by the general public. Nor shall SCWD or SCWD's employees publicize the accommodation, facilities, services, or privileges in any manner that would directly or inferentially reflect upon or question the acceptability of the patronage of any person because of race, religion, color, ancestry, sex, age, national origin, physical handicap, or sexual preference.

Additionally, in the performance of this contract, SCWD will not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, sex, age, national origin, physical handicap, or sexual preference. SCWD will ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, sex, age, national origin, physical handicap, or sexual preference. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. SCWD shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of Government Code Sections 12970 and 12974. Such notices may be obtained from the Department of Fair Employment and Housing.

SCWD will permit access to SCWD's records of employment, employment advertisement, application forms, and other pertinent data and records by the State Fair Employment and Housing Commission, or any other agency of the State of California

designated by the awarding authority, for the purpose of investigation to ascertain compliance with the State Fair Employment and Housing Section of this contract.

The State may determine a willful violation of the State Fair Employment and Housing Act to have occurred upon receipt of a final judgment having that effect from a court in an action to which SCWD was a party, or, upon receipt of a written notice from the State Fair Employment and Housing Commission that it has investigated and determined that the SCWD has violated the State Fair Employment and Housing Act and has issued an order, under Government Code Section 12970, which has become final, or obtained an injunction under Government Code Section 12974.

SECTION 19. DRUG-FREE WORKPLACE.

SCWD agrees to comply with Government Code Section 8355 in matters relating to the provision of a drug-free workplace. This is evidenced by the executed Standard Form 21, entitled "Drug-Free Workplace Certification", attached hereto as Exhibit "B" and made a part of the contract.

SECTION 20. HOLD HARMLESS AGREEMENT.

SCWD hereby waives all claims and recourse against the State, including the right to contribution for loss or damage to persons or property arising from, growing out of, or in any way connected with or incidental to this agreement, except claims arising from, and to the extent of, the negligence of the State, its officers, agents, or employees, or other lawfully wrongful acts for which the State is responsible at law.

SCWD shall protect, indemnify, hold harmless, and defend State, its officers, agents, and employees against any and all claims, demands, damages, costs, expenses, or liability costs arising out of the development, construction, operation, or maintenance of the property described herein, except for liability arising out of, and to the extent of, the negligence of State, its officers, agents, or employees or other lawfully wrongful acts for which the State is responsible at law.

SECTION 21. FUTURE WATER CAPACITY.

The STATE shall contact Tri-Cities in writing, ninety (90) days prior to the requested delivery date for any increase in its capacity as set forth in Section 1 above. The STATE and Tri-Cities, shall execute an amendment to this Agreement, providing for the terms and conditions of the additional capacity. TCMWD shall, to the extent the capacity is available, negotiate in good faith to grant the increase. For any available increase in capacity above 1.4 cfs, SCWD as Designated Operator may impose a connection fee in an amount consistent with, and not to exceed, connection fees generally being charged new customers to Tri-Cities service area.

Tri-Cities, State, and SCWD, intending to be legally bound, execute this Agreement by the hands of their duly authorized representatives as follows:

TRI-CITIES MUNICIPAL WATER DISTRICT

By: Ray Benedicktus
Ray Benedicktus

Title: President
Date: 2-28-2000

APPROVED AS TO FORM:

By: Richard S. Rockwell, Attorney

ATTESTATION:
Donald R. Robertson
By: Secretary, Tri-Cities Board of Directors

SOUTH COAST WATER DISTRICT

By: Richard Runge
Richard Runge

Title: President
Date: 2-28-2000

APPROVED AS TO FORM:
Michael P. Aumba
By: ~~Don R. Adkinson, Attorney~~
SECRETARY SOUTH COAST BOARD DIRECTORS

ATTESTATION:

By: ~~Secretary, South Coast Board of Directors~~
DON R. ADKINSON, ATTORNEY

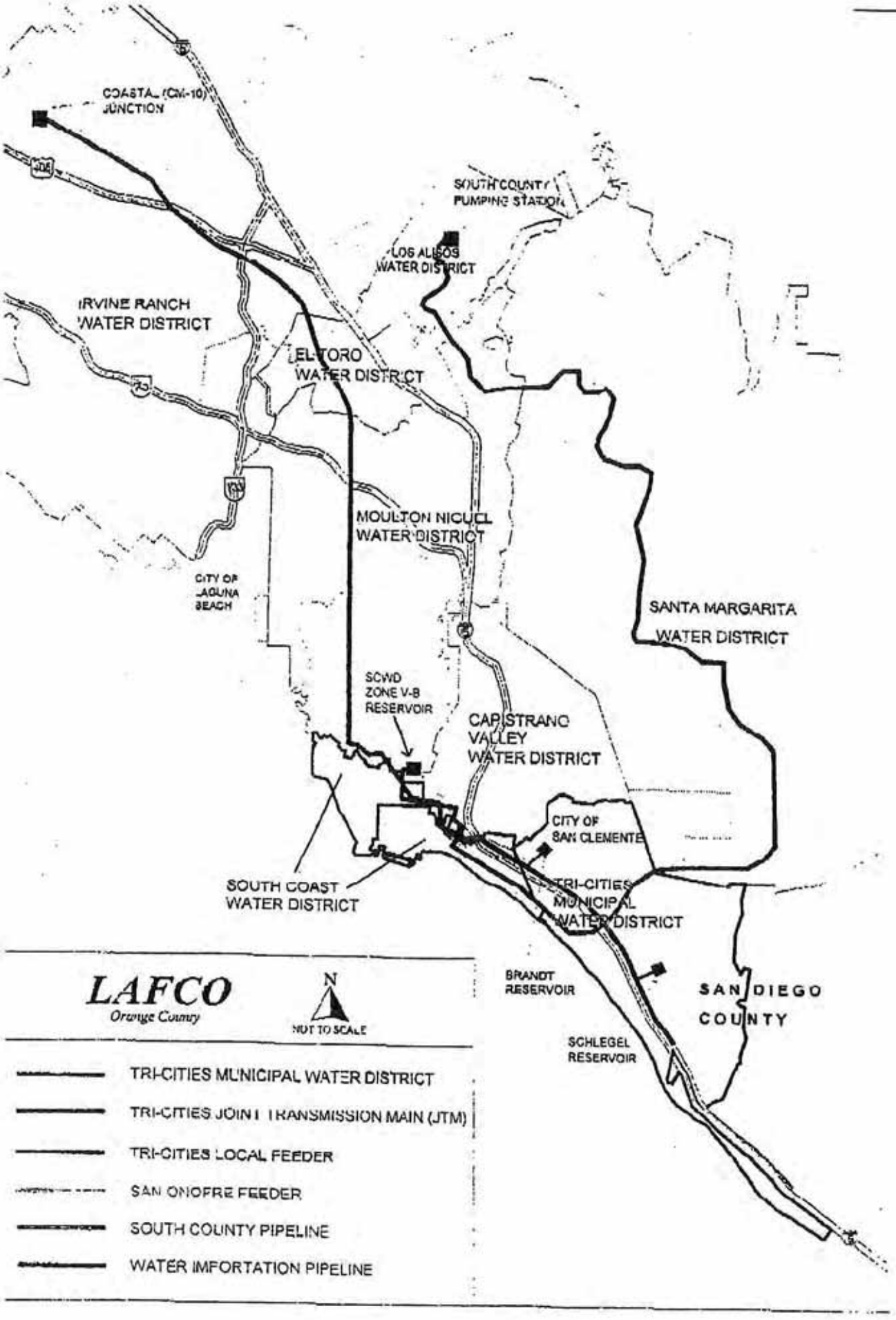
STATE OF CALIFORNIA
Department of Parks and Recreation

By: Humpsy Dumich
Title: Chief Administrative Officer
Date: 3/2/2000

STATE OF CALIFORNIA
Department of General Services

By: _____
Title:
Date: _____

APPROVED
MAR 28 2000
DEPT OF GENERAL SERVICES


COASTAL (CM-10) JUNCTION
SOUTH COUNTY PUMPING STATION
LOS ALISOS WATER DISTRICT
IRVINE RANCH WATER DISTRICT
EL TORO WATER DISTRICT
MOULTON NIGUEL WATER DISTRICT
CITY OF LAGUNA BEACH
SANTA MARGARITA WATER DISTRICT
SCWD ZONE V-B RESERVOIR
CAPISTRANO VALLEY WATER DISTRICT
CITY OF SAN CLEMENTE
SOUTH COAST WATER DISTRICT
TRI-CITIES MUNICIPAL WATER DISTRICT
BRANDT RESERVOIR
SAN DIEGO COUNTY
SCHLEGEL RESERVOIR
LAFCO
Orange County
N
NOT TO SCALE
TRI-CITIES MUNICIPAL WATER DISTRICT
TRI-CITIES JOINT TRANSMISSION MAIN (JTM)
TRI-CITIES LOCAL FEEDER
SAN ONOFRE FEEDER
SOUTH COUNTY PIPELINE
WATER IMPORTATION PIPELINE

STATE OF CALIFORNIA

DRUG-FREE WORKPLACE CERTIFICATION

STD. 21 (Rev. 12/93)(CA ST PKS, EXCEL 4/9/1999)

CERTIFICATION

I, the official named below, hereby swear that I am duly authorized to legally to bind the contractor or grant recipient to the certification described below. I am fully aware that this certification, executed on the date below, is made under penalty of perjury under the laws of the State of California.

CONTRACTOR/BIDDER FIRM NAME	FEDERAL ID NUMBER
South Coast Water District Contract Operator TCMWD Facilities	95 6002977
BY (Authorized Signature)	DATE EXECUTED
Michael P. Dunbar	2/22/00
PRINTED NAME AND TITLE OF PERSON SIGNING	TELEPHONE NUMBER (Include Area Code)
Michael P. Dunbar General Manager/Secretary	(949)499-4555

TITLE

CONTRACTOR/BIDDER FIRM'S MAILING ADDRESS

P.O. Box 30205 Laguna Niguel, CA 92607-0205

The contractor or grant recipient named above hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace. The above named contractor or grant recipient will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).

2. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b), to inform employees about all of the following:

   (a) The dangers of drug abuse in the workplace,

   (b) The person's or organization's policy in maintaining a drug-free workplace,

   (c) Any available counseling, rehabilitation and employee assistance programs, and

   (d) Penalties that may be imposed upon employees for drug abuse violations.

3. Provide as required by Government Code Section 8355(c), that everyone who works on the proposed contract or grant:

   (a) Will receive a copy of the company's drug-free workplace policy statement, and

   (b) Will agree to abide by the terms of the company's statement as a condition of employment on the contract or grant.

4. At the election of the contractor or grantee, from and after the "Date Executed" and until March 1, 2003 (DATE) (NOT TO EXCEED 36 MONTHS), the state will regard this certificate as valid for all contracts or grants entered into between the contractor or grantee and this state agency without requiring the contractor or grantee to provide a new and individual certificate for each contract or grant. If the contractor or grantee elects to fill in the blank date, then the terms and conditions of this certificate shall have the same force, meaning, effect and enforceability as if a certificate were separately, specifically, and individually provided for each contract or grant between the contractor or grantee and this state agency.

TE OF CALIFORNIA

RUG-FREE WORKPLACE CERTIFICATION

1 21 (Rev. 12/89)(CA ST Pub, EXCEL 4/91 REV)

CERTIFICATION

I, the official named below, hereby swear that I am duly authorized to legally to bind the contractor or grant recipient to the certification described below. I am fully aware that this certification, executed on the date below, is made under penalty of perjury under the laws of the State of California.

NTRACTOR/BIDDER FIRM NAME
TRICITIES MWD

FEDERAL ID NUMBER
95-6000421

(Authorized Signature)
Donald R Roberson

DATE EXECUTED
2/29/00

NTED NAME AND TITLE OF PERSON SIGNING
DONALD R. ROBERSON

TELEPHONE NUMBER (Include Area Code)
(949) 248-2099

LE
GENERAL MANAGER

NTRACTOR/BIDDER FIRM'S MAILING ADDRESS
851 CALLE AGUA, SAN CLEMENTE, CA 92673

The contractor or grant recipient named above hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace The above named contractor or grant recipient will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).

2. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b), to inform employees about all of the following:

   (a) The dangers of drug abuse in the workplace,

   (b) The person's or organization's policy in maintaining a drug-free workplace,

   (c) Any available counseling, rehabilitation and employee assistance programs, and

   (d) Penalties that may be imposed upon employees for drug abuse violations

3. Provide as required by Government Code Section 8355(c), that everyone who works on the proposed contract or grant:

   (a) Will receive a copy of the company's drug-free workplace policy statement, and

   (b) Will agree to abide by the terms of the company's statement as a condition of employment on the contract or grant

4. At the election of the contractor or grantee, from and after the "Date Executed" and until _____ (NOT TO EXCEED 36 MONTHS), the state will regard this certificate as valid for all contracts or grants entered into between the contractor or grantee and this state agency without requiring the contractor or grantee to provide a new and individual certificate for each contract or grant. If the contractor or grantee elects to fill in the blank date, then the terms and conditions of this certificate shall have the same force, meaning, effect and enforceability as if a certificate were separately, specifically, and individually provided for each contract or grant between the contractor or grantee and this state agency.

Water Service Agreement – Camp Pendleton

WATER SERVICE AGREEMENT

(U.S. Government)

This WATER SERVICE AGREEMENT ("Agreement"), executed in counterpart and effective as of the Effective Date (defined in Section 3A) is made and entered into by and between:

TRI-CITIES MUNICIPAL WATER DISTRICT, a municipal water district, hereinafter referred to as "Tri-Cities," "Assignor," or "Party,"

The UNITED STATES OF AMERICA, acting through the Department of the Navy, which is represented by the Office of the Southwest Division, Naval Facilities Engineering Command, for the benefit of the United States Marine Corps, Camp Pendleton, California, hereinafter referred to as "Government" or "Party,"

and

SOUTH COAST WATER DISTRICT, a county water district, hereinafter referred to as "SCWD" or "Assignee."

RECITALS

A. Government owns the San Mateo Point Housing Area ("San Mateo Point"), located in the northwestern corner of San Diego County. Government requires that San Mateo Point have a permanent, reliable source of potable water.

B. Tri-Cities and Government are parties to that certain "Interim Water Service Agreement," dated July 13, 1998 ("1998 Agreement") under the terms of which Government currently receives water for San Mateo Point from Tri-Cities. The 1998 Agreement also provides: (1) that Tri-Cities annex San Mateo Point into its service area; (2) that Tri-Cities hold in an Escrow-Trust Account certain funds paid to it by Government, being an Annexation Fee of $303,161.00 that is to be refunded in the event Government obtains an assignment of capacity rights from Southern California Edison Company ("Edison"), along with an Administration Processing Fee of $19,838.00 and a Connection Fee of $36,000.00, any unused funds therefrom also to be refunded to Government; (3) that the 1998 Agreement may be amended and modified by mutual agreement of the parties in a duly executed written instrument; and (4) that its provisions inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns.

C. Tri-Cities furnishes to San Mateo Point water for a certain potable water supply and for fire flow requirements by way of its Joint Transmission Main Facilities ("JTM"), the Local Transmission Main Facilities ("LTM"), and the San Onofre Feeder ("Feeder") (the JTM, LTM, and Feeder are collectively referred to as "System").

D. The Orange County Local Agency Formation Commission ("LAFCO") has approved an Application for Consolidation of Tri-Cities with the Coastal Municipal Water District ("CMWD"), designated by LAFCO as Reorganization No. RO 99-07 (hereinafter referred to as "Consolidation Application" or "Consolidation," as applicable).

E. Pursuant to the terms and conditions of the Consolidation Order Approval ("Terms and Conditions"), Tri-Cities is to enter into an agreement to transfer its contracts and obligations, including those under the 1998 Agreement, to the South Coast Water District ("SCWD"), which will be the new contract operator of the JTM and LTM for the owners thereof. The Terms and Conditions provide that SCWD shall also enter into a water service agreement with Government, detailing the arrangements for water service, water delivery, operations, and maintenance in San Diego County.

F. The Parties intend that the Tri-Cities' assignment of this Agreement to SCWD take effect on the Effective Date, in furtherance thereof.

G. Pursuant to the terms and conditions of that certain Tri-Cities Water Service Agreement dated 1/3/2000 ("Edison Agreement"), Southern California Edison ("Edison") has capacity rights to receive an average of two (2.00) cubic feet "cfs" of potable water delivered at its San Onofre Nuclear Generation Station facility.

H. Tri-Cities, the City of San Clemente ("CSC"), SCWD, and others are parties to that certain "Amended and Restated Joint Exercise of Powers Agreement to Operate and Maintain the Tri-Cities Joint Transmission Main" ("JTM Agreement"), which will become effective on the Effective Date. Pursuant to the JTM Agreement, SCWD will be responsible for the day-to-day operations and maintenance of the JTM and will perform certain water service functions previously performed by Tri-Cities ("JTM Operator").

I. TC, CSC and SCWD are parties to that certain Agreement for transfer of ownership and to Operate and Maintain the Local Transmission Main Facilities ("LTM Agreement"). Upon the Effective Date of said Agreement, CSC will be the successor in ownership interest to the LTM. Pursuant to the LTM Agreement, SCWD will be responsible for the day to day operations and maintenance of the LTM on behalf of CSC.

J. San Diego County Water Authority ("SDCWA") and SCWD are parties to that certain "Wholesale Water Service Agreement and Lease of the

San Onofre Feeder" ("SDCWA Lease"), to become effective upon the Effective Date. Pursuant to the SDCWA Lease, SCWD will be responsible for the day-to-day operations and maintenance of the Feeder and will perform certain water service functions previously performed by Tri-Cities ("Feeder Operator").

K. Government and Tri-Cities now desire to replace the 1998 Agreement with this Agreement, in order to specify the mutual rights and obligations of the Parties in the future.

L. Tri-Cities, SCWD and Government intend that this Agreement shall, on the Effective Date, be automatically assigned, pursuant to Section 21 of this Agreement and such other agreements referenced above, to SCWD which shall assume Tri-Cities' obligations under this Agreement to operate and maintain the System to provide water service to Government at San Mateo Point.

NOW, THEREFORE, in contemplation of the previously stated facts, and in consideration of their mutual promises, the Parties agree to the following:

SECTION 1. WATER SUPPLY.

A. Quantity: Subject to interruptions under Section 2 of this Agreement, Tri-Cities agrees to provide Government with up to two-tenths (0.2) cubic feet of water per second ("cfs"), averaged over the billing period ("Contractual Capacity"), through the San Onofre Feeder at the San Mateo Point turnout, to satisfy the water needs of San Mateo Point under normal conditions. During unusual emergency conditions, however, Tri-Cities agrees to provide water at a fire flow rate of up to 750 gallons per minute (approximately 1.67 cfs) for periods not to exceed one and one-half (1.5) hours per occurrence.

B. Right to Recover Released Capacity: Under separate agreement with Government, Edison has transferred and assigned 0.60 cfs of its original capacity rights to receive potable water pursuant to the Edison Agreement for the use of Marine Corps Base, Camp Pendleton. Government hereby releases its interests in 0.40 cfs of these assigned rights to SCWD. With respect to such release, if Government needs additional capacity in the future, it shall have the right to recover the released capacity of up to 0.40 cfs, reduced by the rights to any capacity that it has otherwise transferred to others before that time, without further transfer charge. With respect to the assignment of Edison capacity rights, Tri-Cities hereby approves thereof and, prior to its assignment of this Agreement to SCWD, shall refund the above-described Annexation Fee, along with any other unused funds refundable to Government, by paying the same to SCWD, to be held and used by it for the benefit of San Mateo Point, by way of water supply improvements or payment of water rates.

C. Pressure: Tri-Cities further agrees to operate its system to maintain residual water pressure of no less than 45 psi on the Tri-Cities side of the San Mateo Point meter connection at the San Mateo Point turnout.

D. Quality: Tri-Cities shall normally supply potable water under this Agreement of the same quality as water that the MWD delivers to Tri-Cities. Tri-Cities shall have the right to also supply San Mateo Point with water from its independent supplemental water supplies, which may differ in quality from that of MWD water; provided, such water shall satisfy all applicable Federal and State potable water quality standards. Tri-Cities shall not supply water of any lower quality than water delivered to Tri-Cities.

SECTION 2. INTERRUPTIONS OF WATER SUPPLY.

Tri-Cities shall exercise its best efforts to maintain and operate its water system to insure a continuous supply of potable water at the pressure and in the quantity and quality specified in Section 1 of this Agreement. Tri-Cities shall notify Government in writing, by request as set forth in Exhibit "A" hereto, at least ten (10) days before any scheduled maintenance that might curtail water service to San Mateo Point. If Tri-Cities cannot provide such 10-day notice, for reasons beyond its reasonable control, Tri-Cities shall provide the maximum notice possible to Government before reducing the quantity, quality, or pressure of water to San Mateo Point.

SECTION 3. TERM.

A. Effective Date: This Agreement will be deemed to be effective one (1) day prior to the effective date of LAFCO Reorganization No. RO99-07 (the "Effective Date"). In the event LAFCO Reorganization No. RO99-07 is not completed on or before December 21, 2000, this Agreement shall be deemed null and void by the Parties hereto.

B. Effect of Consolidation Application: This Agreement shall survive the approval by LAFCO of the Consolidation Application. Prior to the Effective Date, Tri-Cities shall enter into a separate agreement with CSC, who shall assume all of Tri-Cities' obligations under this Agreement related to CSC's ownership of the LTM.

C. Termination: If the property where San Mateo Point is located is no longer used as military housing facility, or for other military purposes, or related uses, either Party may terminate this Agreement by prior written notice to the other Party, which termination shall become effective sixty (60) days after receipt of such notice. Such notice and termination also may be made by Government if it connects San Mateo Point to a different water source.

SECTION 4. PRICE.

A. Water Rate: The Tri-Cities Board of Directors and, upon the Effective Date, the SCWD Board of Directors ("Board") shall establish the water rate for water delivered to Government pursuant to this Agreement from time to time, which shall consist of a Water Charge and a System Charge.

1. Water Charge: The Water Charge shall be calculated by multiplying the quantity of water consumed by Government each month by the sum of: (1) the rate paid by Tri-Cities for the purchase of wholesale water; and (2) the applicable SDCWA charges.

2. System Charge: the System Charge shall be calculated as Government's pro rata share of administration, operation, maintenance, and capital reserve replacement costs associated with the System, as shown on the map identified as Exhibit B, attached to and by this reference incorporated into this Agreement. Except as provided in Section 4B of this Agreement, Government's pro rata share of such costs shall be the fraction of such costs that Government's Contractual Capacity represents to the total capacity at each section or reach of the System.

3. Monthly Installments: Tri-Cities shall divide the allocated System costs by twelve (12) to determine the System Charge that Government shall pay each month.

4. Annual Budget: Tri-Cities shall provide Government with a complete copy of any proposed annual budget and supporting work papers at least forty-five (45) days before any vote to adopt such budget. Government shall have the right to submit comments on the proposed annual budget to the Board and a proposed alternative budget before the hearing on the proposal. Upon request by Government within fifteen (15) days of receiving the proposed annual budget, Tri-Cities shall, within ten (10) days of such request, provide Government with any additional background data that Government reasonably requires to analyze and evaluate the proposed budget. Government shall submit any comments or proposed alternative budget to the Board at least seven (7) days before the hearing on the new annual budget.

B. Operations and Maintenance Costs.

1. Definition of Operations and Maintenance Costs. Operations and Maintenance ("O&M") Costs are the necessary and actual costs of operating and maintaining the System, based on standard accounting and engineering principles in the water service industry, including those expenses identified in this section, which are necessary and proper to maintain and preserve the System in good repair and working order. O&M Costs shall not include depreciation, obsolescence charges, amortization of intangibles, or other bookkeeping entries of a similar nature. O&M Costs shall include the following:

- The actual cost of necessary labor to operate the System, including the cost of actual salaries and benefits and necessary legal, insurance, accounting, and identifiable administrative services ("Administrative Costs");

- Repair or replacement items not to exceed Fifty Thousand Dollars ($50,000.00) per item;
- The actual costs of necessary supplies and materials needed to provide water service, including delivery charges and applicable taxes, but no mark-up of such costs.
- The costs of necessary utilities, such as electricity, gas, and telephone;
- The standard cost of items in inventory;
- The cost of rental equipment at fair market rental rates; and
- The cost of contracting for third parties to provide the services for the above-listed items authorized by this Agreement.

2. Allocation of Costs. O&M Costs shall consist of two (2) components: fixed costs and variable costs. Fixed costs are those O&M Costs that benefit the entire system and are incurred regardless of actual water consumption and use by the customers using the system. A pro rata share of such fixed costs shall be allocated to Government based on Government's Contractual Capacity compared to the total capacity in the System at each reach or section of the System. Variable costs are those O&M Costs not otherwise defined as fixed costs. Tri-Cities shall allocate a fraction of variable costs to Government based on its actual water use compared to the total volume flowing in the System.

C. Capital Improvements

1. Definition of Capital Improvements Costs. Capital Improvement Costs are those required for necessary capital improvements, adjustments, repairs, or replacements to the System with a cost in excess of Fifty Thousand Dollars ($50,000.00), including associated necessary Administrative Costs. All such costs shall be described in detail in the proposed and adopted annual budget.

2. Allocation of Capital Improvement Costs. Tri-Cities shall allocate Capital Improvement Costs to Government based on the proportion that its Contractual Capacity represents to the total capacity in each reach or section of the System.

D. Non-Budgeted Major Repair Costs.

1. Definition of Major Repair Costs. Major repairs are those repairs that cost over Fifty Thousand Dollars ($50,000.00) and that have not been anticipated or included in the annual budget. If such Major Repairs become necessary to preserve continuous operation of the System, Tri-Cities shall make such repairs.

2. Allocation of Non-Budgeted Major Repair Costs. Tri-Cities shall allocate Non-Budgeted Major Repair Costs to Government based on the proportion that its Contractual Capacity represents to the total capacity in each reach or section of the System. Government agrees to make a budget request for and diligently seek funds for Government's proportionate share of the Capital Improvements or Major Repairs. Tri-Cities agrees to notify Government of Tri-Cities' Capital Improvement project plans and cost projections as soon as they become available to Tri-Cities. Tri-Cities and Government agree such notification will assist in the timely payment of the Government's proportionate share of these costs. During such times while Government has received a lump sum billing from Tri-Cities and when the funds have been obtained by Government, Government shall have the option of making progress payments in such amounts as will permit monthly payments, including water delivery, not to exceed 200% of monthly billings.

SECTION 5. WATER IMPORTATION PIPELINE ("WIP").

Government does not have capacity in the Water Importation Pipeline (WIP). During such times that the JTM is rendered inoperable due to maintenance or emergencies, Tri-Cities may supply water to Government from the WIP. For any water supplied to Government from the WIP, a twenty (20) percent surcharge shall be added to the wholesale water rate. This surcharge will cover all administrative, operation and maintenance costs as defined in this Agreement associated with the WIP. No other charges/expenses, whether operations and maintenance or major repairs or Capital Improvements, associated with the WIP are to be assigned to Government.

SECTION 6. INVOICING AND PAYMENT.

Tri-Cities shall prepare and send an invoice to Government on or about the first business day of each month, detailing the cost to Government for water supplied to San Mateo Point for the previous month. The invoice shall include a detailed description of Government's Water Charge, System Charge, and Major Repair costs for the prior month, as provided in Section 4 and any WIP surcharges, as provided by Section 5. Tri-Cities may, at its discretion, invoice Government for unbudgeted Major Repair Costs in one lump sum, prior to awarding any contracts for such improvements or repairs, or on a monthly basis to coincide with contract progress payment schedules. Government shall pay the full amount of each invoice within thirty (30) days of its receipt or as indicated in Section 4.

SECTION 7. ASSIGNMENT.

If Tri-Cities or any successor to its interests in its facilities reorganizes or otherwise disposes of the Tri-Cities facilities needed to provide service to Government under this Agreement, Tri-Cities or such successor in interest shall make assignment of this Agreement to any initial or subsequent successor in

interest a condition of such reorganization or sale. The provisions of this Agreement shall inure to and be for the benefit of the Parties hereto, and their respective successors, assigns, and all other persons acquiring all or any interest herein, either by operation of law or in any manner whatsoever.

SECTION 8. NOTICES.

Any notice provided for herein shall be given in writing and shall be transmitted by personal delivery, prepaid first class mail of the United States Postal Service, or electronic transmission and delivery, with receipt confirmation, which address may be changed from time to time upon direction of a Party to the other:

To Tri-Cities:	Tri-Cities Municipal Water District 851 Calle Agua San Clemente, CA 92672
To Government	Commander Southwest Division (Code 530) Naval Facilities Engineering Command San Diego, CA 92132-5190
And to:	Commanding General Attn: Office of Water Resources Box 555013 Marine Corps Base Camp Pendleton, CA 92055-5013
To SCWD:	South Coast Water District 31592 West Street Laguna Beach, CA 92677 (Attention: General Manager)

SECTION 9. FORCE MAJEURE.

If an event constituting force majeure renders a Party unable to perform, in whole or in part, any obligation under this Agreement, that Party may suspend performance of such obligation for the duration of the event; provided, however, the Party claiming suspension shall notify the other Party of the details of the force majeure, as soon as reasonably practicable after the commencement of the event. A Party may suspend its performance only if the Party has no control over the event, does not reasonably foresee the event, and cannot, by the exercise of due diligence, prevent or overcome the event constituting force majeure. Examples of events which could constitute force majeure include, but are not limited to, the following: lightning, storm, earthquake, landslide, flood, washout, or other act of God; freezing, fire, explosion, rupture, breakage, or accident to pipeline, plant, machinery, or equipment; revolution, civil disturbance, sabotage,

acts of the public enemies, war, blockade, insurrection, vandalism, riot, epidemic; or order of any court or regulatory authority.

SECTION 10. ENTIRE AGREEMENT.

This Agreement constitutes the entire, exclusive, final, and integrated statement of the terms of the Parties' agreement regarding the matters for which it provides. Accordingly, each Party acknowledges that, insofar as that Party had prior dealings with the other Party during negotiations, the Party specifically negates any legal effect of such prior dealings and negotiations and agrees to be bound by no other written or oral representations, warranties, obligations, assurances, conditions, covenants, or agreements, except as specifically provided in the Agreement.

SECTION 11. MODIFICATION OF AGREEMENT.

The Parties may, by mutual agreement, amend or modify this Agreement by a written amendment or modification duly executed and approved with the same formality as this Agreement.

SECTION 12. SEVERABILITY AND SURVIVAL OF AGREEMENT.

If any term of this Agreement is rendered unenforceable, in any manner whatsoever, the remaining terms shall remain fully effective and enforceable.

SECTION 13. CANCELLATION OF EXISTING AGREEMENT.

This Agreement supersedes the 1998 Agreement in its entirety as of the Effective Date.

SECTION 14. SETTLEMENT AND RELEASE OF CLAIMS.

Each Party hereby waives its right to assert any claim for damages against the other Party for violation of the 1998 Agreement after the effective date of this Agreement. Each Party certifies that, with respect to claims being released by this Agreement, it has read and understands the following provisions of California Civil Code Section 1542 and waives its protection:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Each Party hereby represents to the other Party that it understands and acknowledges the significance and consequence of waiving the protection of California Civil Code Section 1542 is that, even if a Party should eventually discover an additional basis for a claim against the other Party arising out of or related to the 1998 Agreement, that Party may not later assert any claim for

those damages. Furthermore, each Party acknowledges that it intends these consequences even as to claims that may exist as of the Effective Date but which it does not know exists, and which, if known, would materially affect its decision to execute this release, regardless of whether its lack of knowledge arose through its ignorance, oversight, error, negligence, or any other cause.

SECTION 15. ATTORNEYS' FEES.

If a dispute arises between the Parties about any rights or obligations provided in or related to this Agreement, the prevailing Party in any litigation or alternative dispute resolution proceeding commenced to resolve such dispute shall be entitled to its costs of litigation, including reasonable attorneys' fees.

SECTION 16. OFFICIALS NOT TO BENEFIT.

No member of or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this Agreement, or to any benefit to arise therefrom, but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

SECTION 17. COVENANT AGAINST CONTINGENT FEES.

Tri-Cities and SCWD warrant that no person or agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by Tri-Cities or SCWD for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this Agreement without liability or in its discretion to require Tri-Cities or SCWD to pay the full amount of such commission, percentage, brokerage, or contingent fee.

SECTION 18. ASSIGNMENT OF CLAIMS.

Except as otherwise provided herein, Tri-Cities shall not assign any claim against the Government under this Agreement.

SECTION 19. LABOR PROVISION.

In carrying out the intention to deliver the water supply through the Feeder as set forth in, and during the term of this Agreement, Tri-Cities agrees in relevant construction contracts relating to the Feeder providing water service to San Mateo Point that it will comply with all applicable labor laws and regulations, and shall ensure that all contractors and subcontractors to Tri-Cities shall likewise comply.

SECTION 20. GRATUITIES.

The right of Tri-Cities to proceed under this Agreement may be terminated by written notice if, after notice and hearing, the Government determines that Tri-Cities, its agent, or another representative offered or gave a gratuity (e.g., an entertainment or gift) to an officer, official, or employee of the Government; and intended, by the gratuity, to obtain a contract or favorable treatment under the contract. The facts supporting this determination may be reviewed by any court having lawful jurisdiction. If this Agreement is terminated under this section, the Government is entitled to pursue the same remedies as in breach of the Agreement; and, in addition to any other damages provided by law, to exemplary damages of not less than 3 nor more that 10 times the cost incurred by Tri-Cities in giving gratuities to the person concerned, as determined by the Secretary of the Navy or his/her designee.

SECTION 21. ASSIGNMENT TO SCWD.

A. Effective as of the Effective Date: (1) Assignor assigns this Agreement and all of Assignor's rights hereunder to Assignee and delegates all of Assignor's obligations and liabilities owed to Government hereunder to Assignee, except for obligations related to the LTM that are thereafter assigned to and assumed by CSC; (2) Assignee agrees to assume, perform, and be liable for all such rights, obligations, and liabilities owed to Government by Assignor under this Agreement and accepts the assignment of the Agreement and all such assigned rights, obligations, and liabilities including but not limited to, those assigned rights, obligations, and liabilities that accrued prior to the date of this assignment; and (3) Government consents to such assignment of this Agreement from Assignor to Assignee ("Assignment").

B. Government is not a party to and has no obligation under any documents or agreements related to the Consolidation other than those it has executed through its authorized representatives related to this Agreement and the Assignment of its provisions after the effective date of the Consolidation. To the extent that this Agreement or the Assignment is inconsistent with any other such documents or agreements, this Agreement and Assignment shall govern the relationships between and among Tri-Cities, SCWD, and Government.

C. Assignor agrees to remain jointly and severally liable with Assignee for each and every assigned obligation and liability that accrued after the effective date of this Agreement and before the Effective Date. Assignee agrees to be jointly and severally liable to pay and to indemnify and hold Government harmless from any loss, liability, damage, claim, cost and expense (including, without limitation, any direct, indirect, or consequential loss, liability, damage, claim, cost or expense, including attorneys fees, legal costs, and other expenses) connected with or arising out of the Consolidation or the Assignment.

D. The Assignment neither modifies nor amends any provision of this Agreement. It shall continue in effect until termination of the Agreement. Termination of the Agreement and Assignment, however, shall not extinguish any obligation or liability owed by any Party to another on the date of such termination.

This Agreement may be executed in any number of counterparts and, upon execution by Tri-Cities, Government, and SCWD, each executed counterpart shall have the same force and effect as an original instrument, as if all of them had signed the same instrument. Tri-Cities, Government, and SCWD, intending to be legally bound, execute this Agreement by the hands of their duly authorized representatives, and each signatory below represents that s/he is the representative who has been duly authorized to execute this Agreement on behalf of the entity for whom they sign:

TRI-CITIES MUNICIPAL WATER DISTRICT

By: Ray Benedicktus

Ray Benedicktus

Title: President

Date: 3-22-2000

APPROVED AS TO FORM:

By: Richard S. Rockwell, Attorney

ATTESTATION:

Donald R. Roberson

By: Secretary, Tri-Cities Board of Directors

SOUTH COAST WATER DISTRICT

By: Richard D. Runge

Richard D. Runge
[name]

Title: [title] President, Board of Directors

Date: 3-14-2000

APPROVED AS TO FORM:

By: Don R. Adkinson, Attorney

ATTESTATION:

Michael P. Hunton

By: Secretary, South Coast Board of Directors

THE UNITED STATES OF AMERICA

By: _____

Contracting Officer, Southwest Division
Naval Facilities Engineering Command

Date: _____

APPROVED AS TO FORM:

_____

By: Western Area Counsel Office

Water Service Agreement – Edison

WATER SERVICE AGREEMENT

This WATER SERVICE AGREEMENT ("Agreement"), is made and entered into to become effective January 31, 2000, between:

TRI-CITIES MUNICIPAL WATER DISTRICT, a municipal water district, hereinafter referred to as "Tri-Cities," "Assignor," or "Party,"

SOUTHERN CALIFORNIA EDISON COMPANY, a California corporation ("SCE"), for itself and on behalf of SAN DIEGO GAS AND ELECTRIC COMPANY, a California corporation ("SDG&E"), the CITY OF ANAHEIM, a municipal corporation of the State of California ("Anaheim"), and CITY OF RIVERSIDE, a municipal corporation of the State of California ("Riverside"), hereinafter collectively referred to as "Edison" or "Party,"

and

SOUTH COAST WATER DISTRICT, a county water district, hereinafter referred to as "SCWD" or "Assignee."

RECITALS

A. Edison owns the San Onofre Nuclear Generating Station ("SONGS"), located upon land owned by the Federal Government on the coast of extreme northern San Diego County. Edison requires that SONGS have a permanent, reliable source of fresh potable water.

B. Tri-Cities and Edison are parties to that certain "Water Service and Reservoir Construction Agreement," dated December 7, 1983 ("1983 Agreement") under the terms of which Edison currently receives water from Tri-Cities. The 1983 Agreement provides, in part, that: (1) it remains in effect so long as SONGS remains within Tri-Cities' service territory (Section 6); (2) it may be amended and modified by mutual agreement of the parties in a duly executed written instrument (Section 13); (3) Tri-Cities may assign its duties and obligations only with Edison's express written consent (Section 15); and (4) the provisions inure to and benefit of the parties, their successors and assigns, and other persons acquiring an interest in it by operation of law or other means (Section 16).

C. Tri-Cities executed the 1983 Agreement, which provided, in part, for Tri-Cities to utilize the Tri-Cities Joint Transmission Main Facilities ("JTM"), the Local Transmission Main Facilities ("LTM"), the Schlegel Reservoir ("Reservoir"), and the San Onofre Feeder ("Feeder") (the JTM, LTM, Reservoir, and Feeder are collectively referred to as "System") to supply water to SONGS. Pursuant to the 1983 Agreement, Edison paid approximately $2,000,000 to construct the Reservoir and approximately $4,000 to purchase 5,000,000 gallons of water stored in the Reservoir for emergencies. Pursuant to a separate agreement, the San Diego County Water Authority ("SDCWA") paid approximately $640,000 to construct the Feeder.

D. Tri-Cities has received an amount up to approximately $260,000 each year from the San Diego County Tax Collector's Office as its share of the unitary/operating non-unitary property tax revenues collected by the State of California and the County of San Diego

from SONGS, which have been utilized for the purpose of reducing the cost of providing water service to SONGS.

E. The Orange County Local Agency Formation Commission ("LAFCO") is considering an Application for Consolidation of Tri-Cities with the Coastal Municipal Water District ("CMWD"), designated by LAFCO as Reorganization No. RO 99-07 (hereinafter referred to as "Consolidation Application" or "Consolidation," as applicable).

F. Pursuant to the proposed terms and conditions of the Consolidation Application ("Terms and Conditions"), Tri-Cities is to enter into an agreement to transfer its contracts and obligations, including those under the 1983 Agreement, to the South Coast Water District ("SCWD"), who will be the new contract operator of the JTM and LTM for the owners thereof. The Terms and Conditions provide that SCWD may also enter into a water service agreement with Edison, detailing the arrangements for water service, water delivery, operations, and maintenance in San Diego County.

G. The Parties intend that the Tri-Cities' assignment of this Agreement to SCWD take effect on the effective date of the Consolidation, in furtherance thereof.

H. Tri-Cities, the City of San Clemente ("CSC"), SCWD, and others are parties to that certain "Amended and Restated Joint Exercise of Powers Agreement to Operate and Maintain the Tri-Cities Joint Transmission Main" ("JTM Agreement"), which will become effective one day before the effective date of the Consolidation. Pursuant to the JTM Agreement, SCWD will be responsible for the day-to-day operations and maintenance of the JTM and will perform certain water service functions previously performed by Tri-Cities ("JTM Operator").

I. SDCWA and SCWD are parties to that certain "Wholesale Water Service Agreement and Lease of the San Onofre Feeder" ("SDCWA Lease"), to become effective upon the effective date of the Consolidation. Pursuant to the SDCWA Lease, SCWD will be responsible for the day-to-day operations and maintenance of the Feeder and will perform certain water service functions previously performed by Tri-Cities ("Feeder Operator").

J. Upon the effective date of the Consolidation, CSC will be the successor in ownership interest to the LTM and the Reservoir. Pursuant to a separate agreement, SCWD will operate and maintain the LTM on behalf of CSC. CSC will be responsible for the day-to-day operations and maintenance of the Reservoir and will perform certain water service functions previously performed by Tri-Cities ("Reservoir Operator").

K. Edison and Tri-Cities now desire to replace the 1983 Agreement with this Agreement, in order to specify the mutual rights and obligations of the Parties in the future.

L. CSC and Edison are contemplating entering into a separate "Schlegel Reservoir Water Service Agreement" ("Reservoir Agreement") to become effective upon the effective date of the Consolidation. The Reservoir Agreement will provide that CSC shall assume Tri-Cities' obligations under this Agreement to release and deliver up to 5,000,000 gallons of water to Edison at SONGS during emergency situations, upon Edison's demand.

M. Tri-Cities, SCWD and Edison intend that this Agreement shall, on the effective date of the Consolidation, be automatically assigned to SCWD pursuant to Section 18 of this Agreement, who shall assume Tri-Cities' obligations under this Agreement to operate and maintain the JTM, LTM, and Feeder to provide water service to Edison at SONGS.

NOW, THEREFORE, in contemplation of the previously stated facts, and in consideration of their mutual promises, the Parties agree to the following:

SECTION 1. WATER SUPPLY.

A. Quantity: Subject to interruptions under Section 2 of this Agreement, Tri-Cities agrees to provide Edison with up to two (2.00) cubic feet of water per second ("cfs"), averaged over the billing period ("Contractual Capacity"), through the San Onofre Feeder at the San Onofre turnout, to satisfy the water needs of SONGS under normal operating conditions. During unusual emergency conditions, however, Tri-Cities agrees to provide water at a flow rate of up to five (5.00) cfs for periods not to exceed sixty (60) hours per occurrence.

B. Right to Recover Released Capacity: This Agreement does not alter the terms of the annexation of the SONGS site into the Metropolitan Water District of Southern California ("MWD"), under which Edison paid for and was granted the right to 3.67 cfs of the total capacity of 5.07 cfs that the MWD allocated to the SDCWA for San Diego customers. Edison has assigned 0.60 cfs of its capacity rights for the use of Camp Pendleton under separate agreement with the United States of America, acting through the Southwest Division, Naval Facilities Engineering Command. Edison hereby releases 1.07 cfs of its previously purchased rights to CSC and SCWD, in a proportion as agreed to between these entities. As such, if Edison needs additional capacity in the future, it shall have the right to recover the released capacity of up to 1.07 cfs, reduced by the rights to any capacity that it has otherwise transferred to others before that time, without further transfer charge, on or before December 31, 2023. After that date and during the term of this Agreement, Edison shall have the right of first refusal for any such unreclaimed released capacity.

C. Pressure: Tri-Cities further agrees to operate its system to maintain residual water pressure of no less than 45 psi on the Tri-Cities side of the SONGS meter connection at the San Onofre turnout.

D. Quality: Tri-Cities shall normally supply water under this Agreement of the same quality as water that the MWD delivers to Tri-Cities. Tri-Cities shall have the right to also supply SONGS with water from its independent supplemental water supplies, which may differ in quality from that of MWD water; provided, such water shall satisfy all applicable Federal and State domestic water quality standards. Tri-Cities shall not supply water of any lower quality than water delivered to Tri-Cities.

SECTION 2. INTERRUPTIONS OF WATER SUPPLY.

Tri-Cities shall exercise its best efforts to maintain and operate its water system to insure a continuous supply of water at the pressure and in the quantity and quality specified in Section 1 of this Agreement. Tri-Cities shall notify Edison in writing thirty (30) days before any scheduled maintenance that might curtail water service to SONGS. Tri-Cities shall exert all reasonable efforts to coordinate the timing of such scheduled maintenance operations with the operational schedule of SONGS. If Tri-Cities cannot provide such 30-day notice, for reasons beyond its reasonable control, Tri-Cities shall provide the maximum notice possible to Edison before reducing the quantity, quality, or pressure of water to SONGS.

SECTION 3. SCHLEGEL RESERVOIR.

A. Reservation for Edison's Benefit: Tri-Cities constructed, owns, and operates the Reservoir, which is located in the City of San Clemente, County of Orange, State of California. Edison owns 5,000,000 gallons of water, which it desires to continue to store in the Reservoir. Tri-Cities agrees to store and reserve 5,000,000 gallons of water for Edison's benefit. Upon demand by Edison, Tri-Cities agrees to release and deliver up to 5,000,000 gallons to Edison at SONGS through Tri-Cities' and, upon the effective date of the Consolidation, SDCWA's facilities.

B. Reduction in Reservoir Volume: Tri-Cities shall exercise its best efforts to maintain a minimum of 5,000,000 gallons of water in the Reservoir. Tri-Cities shall notify Edison in writing thirty (30) days before any scheduled maintenance that will reduce the volume of water in the Reservoir below 5,000,000 gallons. Tri-Cities shall exert all reasonable efforts to coordinate the timing of such scheduled maintenance operations with the operational schedule of SONGS. If Tri-Cities cannot provide such 30-day notice for reasons beyond its reasonable control, Tri-Cities shall provide the maximum notice possible to Edison before reducing the volume of water in the Reservoir below 5,000,000 gallons.

SECTION 4. TERM.

A. Effective Date: This Agreement shall take effect on the date first shown above and shall remain permanently in full force and effect unless terminated, modified, or amended by mutual agreement of the Parties.

B. Effect of Consolidation Application: This Agreement shall survive the approval by LAFCO of the Consolidation Application. Prior to the effective date of the Consolidation, Tri-Cities and Edison shall enter into a separate assignment agreement with CSC, who shall assume all of Tri-Cities' obligations under this Agreement related to the Reservoir.

C. Termination: If the property where SONGS is located is no longer used as an operating or non-operating power generation facility, including periods for decommissioning such facilities, or for military purposes, or related uses, either Party may terminate this Agreement by prior written notice to the other Party, which termination shall become effective sixty (60) days after receipt of such notice.

SECTION 5. PRICE.

A. Water Rate: The Tri-Cities Board of Directors and, upon the effective date of the Consolidation, the SCWD Board of Directors ("Board") shall establish the water rate for water delivered to Edison pursuant to this Agreement from time to time, which shall consist of a Water Charge and a System Charge.

1. Water Charge: The Water Charge shall be calculated by multiplying the quantity of water consumed by Edison each month by the sum of: (1) the rate paid by Tri-Cities for the purchase of wholesale water; and (2) the applicable SDCWA charges.

2. System Charge: the System Charge shall be calculated as Edison's pro rata share of administration, operation, maintenance, and capital reserve replacement costs associated with the System, as shown on the map identified as Exhibit B, attached to and by this reference incorporated into this Agreement. Except as provided in Section 5B of this

Agreement, Edison's pro rata share of such costs shall be the fraction of such costs that Edison's Contractual Capacity represents to the total capacity at each section or reach of the System.

3. Monthly Installments: Tri-Cities shall divide the allocated System costs by twelve (12) to determine the System Charge that Edison shall pay each month.

4. Annual Budget: Tri-Cities shall provide Edison with a complete copy of any proposed annual budget and supporting work papers at least forty-five (45) days before any vote to adopt such budget. Edison shall have the right to submit comments on the proposed annual budget to the Board and a proposed alternative budget before the hearing on the proposal. Upon request by Edison within fifteen (15) days of receiving the proposed annual budget, Tri-Cities shall, within ten (10) days of such request, provide Edison with any additional background data that Edison reasonably requires to analyze and evaluate the proposed budget. Edison shall submit any comments or proposed alternative budget to the Board at least seven (7) days before the hearing on the new annual budget.

B. Operations and Maintenance Costs.

1. Definition of Operations and Maintenance Costs. Operations and Maintenance ("O&M") Costs are the necessary and actual costs of operating and maintaining the System, based on standard accounting and engineering principles in the water service industry, including those expenses identified in this section, which are necessary and proper to maintain and preserve the System in good repair and working order. O&M Costs shall not include depreciation, obsolescence charges, amortization of intangibles, or other bookkeeping entries of a similar nature. O&M Costs shall include the following:

- The actual cost of necessary labor to operate the System, including the cost of actual salaries and benefits and necessary legal, insurance, accounting, and identifiable administrative services ("Administrative Costs");
- Repair or replacement items not to exceed Fifty Thousand Dollars ($50,000.00) per item;
- The actual costs of necessary supplies and materials needed to provide water service, including delivery charges and applicable taxes, but no mark-up of such costs.
- The costs of necessary utilities, such as electricity, gas, and telephone;
- The standard cost of items in inventory;
- The cost of rental equipment at fair market rental rates; and
- The cost of contracting for third parties to provide the services for the above-listed items authorized by this Agreement.

2. Allocation of Costs. O&M Costs shall consist of two (2) components: fixed costs and variable costs. Fixed costs are those O&M Costs that benefit the entire system and are incurred regardless of actual water consumption and use by the customers using the system. A pro rata share of such fixed costs shall be allocated to Edison based on Edison's Contractual Capacity compared to the total capacity in the System at each reach or section of the System. Variable costs are those O&M Costs not otherwise defined as fixed costs. Tri-Cities shall allocate a fraction of variable costs to Edison based on its actual water use compared to the total volume flowing in the System.

C. Capital Improvements

1. Definition of Capital Improvements Costs. Capital Improvement Costs are those required for necessary capital improvements, adjustments, repairs, or replacements to the System with a cost in excess of Fifty Thousand Dollars ($50,000.00), including associated necessary Administrative Costs. All such costs shall be described in detail in the proposed and adopted annual budget.

2. Allocation of Capital Improvement Costs. Tri-Cities shall allocate Capital Improvement Costs to Edison based on the proportion that its Contractual Capacity represents to the total capacity in each reach or section of the System.

D. Non-Budgeted Major Repair Costs.

1. Definition of Major Repair Costs. Major repairs are those repairs that cost over Fifty Thousand Dollars ($50,000.00) and that have not been anticipated or included in the annual budget. If such Major Repairs become necessary to preserve continuous operation of the System, Tri-Cities shall make such repairs.

2. Allocation of Non-Budgeted Major Repair Costs. Tri-Cities shall allocate Non-Budgeted Major Repair Costs to Edison based on the proportion that its Contractual Capacity represents to the total capacity in each reach or section of the System.

SECTION 6. WATER IMPORTATION PIPELINE ("WIP").

A. Use of WIP for Delivering Water to Edison: Tri-Cities shall deliver water to Edison from the WIP, only during such times that necessary maintenance or emergencies render the JTM inoperable.

B. Definition of WIP Costs: WIP costs shall include construction debt service costs and monthly operations and maintenance costs associated with the WIP.

C. Allocation of WIP Costs: Edison shall pay its pro rata share of the construction debt service on the WIP, based on its Contractual Capacity compared to total capacity. Tri-Cities shall include such charges on the monthly bill as an itemized expense, and shall allocate no other charges or expenses associated with the WIP to Edison. Edison shall pay a share of the monthly operations and maintenance costs associated with the WIP for any month or fraction thereof that its water flows through that system. Edison's share of such operating and maintenance WIP costs shall be based on its Contractual Capacity compared to total capacity for the number of days that Edison's water flows through the WIP, rounded to the nearest whole day. Tri-Cities shall include such operating and maintenance charges on the monthly bill as an itemized expense when applicable.

SECTION 7. INVOICING AND PAYMENT.

Tri-Cities shall prepare and send an invoice to Edison on or about the first business day of each month, detailing the cost to Edison for water supplied to SONGS for the previous month. The invoice shall include a detailed description of Edison's Water Charge, System Charge, and Major Repair costs for the prior month, as provided in Section 5 and any WIP Costs, as provided by Section 6. Tri-Cities may, at its discretion, invoice Edison for unbudgeted Major Repair Costs in one lump sum, prior to awarding any contracts for such improvements or

repairs, or on a monthly basis to coincide with contract progress payment schedules. Edison shall pay the full amount of each invoice within thirty (30) days of its receipt.

SECTION 8. ASSIGNMENT.

If Tri-Cities or any successor to its interests in its facilities reorganizes or otherwise disposes of the Tri-Cities facilities needed to provide service to Edison under this Agreement, Tri-Cities or such successor in interest shall make assignment of this Agreement to any initial or subsequent successor in interest a condition of such reorganization or sale. The provisions of this Agreement shall inure to and be for the benefit of the Parties hereto, and their respective successors, assigns, and all other persons acquiring all or any interest herein, either by operation of law or in any manner whatsoever.

SECTION 9. NOTICES.

Any notice provided for herein shall be given in writing and shall be transmitted by personal delivery, prepaid first class mail of the United States Postal Service, or electronic transmission and delivery, with receipt confirmation, which address may be changed from time to time upon direction of a Party to the other:

To Tri-Cities:	Tri-Cities Municipal Water District Attn: Don Roberson 851 Calle Agua San Clemente, CA 92672 Phone: 949-248-2097 FAX: 949-496-7466
To Edison (Interruptions of Service):	San Onofre Nuclear Generating Attention: Vice President, Nuclear Generation, and Site Manager Post Office Box 128 San Clemente, CA 92672 Phone: 949-368-6255 FAX: 949-368-6183
To Edison (All Other):	Southern California Edison Attn.: Manager, Site Support Services Post Office Box 128, Bldg. W-44 San Clemente, CA 92674-0128 Phone: 949-368-9940 FAX: 949-368-6560
To SCWD:	South Coast Water District Attn: Mike Dunbar 31592 West Street Laguna Beach, CA 92677 Phone: 949-499-4555 FAX: 949-499-4256

SECTION 10. FORCE MAJEURE.

If an event constituting force majeure renders a Party unable to perform, in whole or in part, any obligation under this Agreement, that Party may suspend performance of such obligation for the duration of the event; provided, however, the Party claiming suspension shall notify the other Party of the details of the force majeure, as soon as reasonably practicable after the commencement of the event. A Party may suspend its performance only if the Party has no control over the event, does not reasonably foresee the event, and cannot, by the exercise of due diligence, prevent or overcome the event constituting force majeure. Examples of events which could constitute force majeure include, but are not limited to, the following: lightning, storm, earthquake, landslide, flood, washout, or other act of God; freezing, fire, explosion, rupture, breakage, or accident to pipeline, plant, machinery, or equipment; revolution, civil disturbance, sabotage, acts of the public enemies, war, blockade, insurrection, vandalism, riot, epidemic; or order of any court or regulatory authority.

SECTION 11. ENTIRE AGREEMENT.

This Agreement constitutes the entire, exclusive, final, and integrated statement of the terms of the Parties' agreement regarding the matters for which it provides. Accordingly, each Party acknowledges that, insofar as that Party had prior dealings with the other Party during negotiations, the Party specifically negates any legal effect of such prior dealings and negotiations and agrees to be bound by no other written or oral representations, warranties, obligations, assurances, conditions, covenants, or agreements, except as specifically provided in the Agreement.

SECTION 12. MODIFICATION OF AGREEMENT.

The Parties may, by mutual agreement, amend or modify this Agreement by a written amendment or modification duly executed and approved with the same formality as this Agreement.

SECTION 13. SEVERABILITY AND SURVIVAL OF AGREEMENT.

If any term of this Agreement is rendered unenforceable, in any manner whatsoever, the remaining terms shall remain fully effective and enforceable.

SECTION 14. CANCELLATION OF EXISTING AGREEMENT.

This Agreement supersedes the 1983 Agreement in its entirety as of its effective date.

SECTION 15. SETTLEMENT AND RELEASE OF CLAIMS.

Each Party hereby waives its right to assert any claim for damages against the other Party for violation of the 1983 Agreement after the effective date of this Agreement. Each Party certifies that, with respect to claims being released by this Agreement, it has read and understands the following provisions of California Civil Code Section 1542 and waives its protection:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Each Party hereby represents to the other Party that it understands and acknowledges the significance and consequence of waiving the protection of California Civil Code Section 1542 is that, even if a Party should eventually discover an additional basis for a claim against the other Party arising out of or related to the 1983 Agreement, that Party may not later assert any claim for those damages. Furthermore, each Party acknowledges that it intends these consequences even as to claims that may exist as of the date of this Agreement but which it does not know exists, and which, if known, would materially affect its decision to execute this release, regardless of whether its lack of knowledge arose through its ignorance, oversight, error, negligence, or any other cause.

SECTION 16. ATTORNEYS' FEES.

If a dispute arises between the Parties about any rights or obligations provided in or related to this Agreement, the prevailing Party in any litigation commenced to resolve such dispute shall be entitled to its costs of litigation, including reasonable attorneys' fees.

SECTION 17. AUTHORITY TO ACT AS AGENT.

SCE represents and warrants that it is duly authorized, pursuant to the Second Amended San Onofre Operating Agreement Among Southern California Edison Company, San Diego Gas & Electric Company, City of Anaheim, and City of Riverside, dated February 26, 1987, to execute this Agreement as principal on its own behalf and as the operating agent for SDG&E, Anaheim, and Riverside.

SECTION 18. ASSIGNMENT TO SCWD.

A. Effective as of the effective date of the Consolidation: (1) Assignor assigns this Agreement and all of Assignor's rights hereunder to Assignee and delegates all of Assignor's obligations and liabilities owed to Edison hereunder to Assignee, except for obligations related to the Reservoir that are thereafter assigned to and assumed by CSC; (2) Assignee agrees to assume, perform, and be liable for all such rights, obligations, and liabilities owed to Edison by Assignor under this Agreement and accepts the assignment of the Agreement and all such assigned rights, obligations, and liabilities including but not limited to, those assigned rights, obligations, and liabilities that accrued prior to the date of this assignment, to the same extent as if Assignee had been an original party to the Agreement as of its effective date; and (3) Edison consents to such assignment of this Agreement from Assignor to Assignee ("Assignment").

B. Edison is not a party to and has no obligation under any documents or agreements related to the Consolidation other than those it has executed through its authorized representatives related to this Agreement and the Assignment of its provisions after the effective date of the Consolidation. To the extent that this Agreement or the Assignment is inconsistent with any other such documents or agreements, this Agreement and Assignment shall govern the relationships between and among Tri-Cities, SCWD, and Edison.

C. Assignor agrees to remain jointly and severally liable with Assignee for each and every assigned obligation and liability that accrued after the effective date of this Agreement and before the date of this Assignment. Assignee agrees to be jointly and severally liable to pay and to indemnify and hold Edison harmless from any loss, liability, damage, claim, cost and expense (including, without limitation, any direct, indirect, or consequential loss, liability,

damage, claim, cost or expense, including attorneys fees, legal costs, and other expenses) connected with or arising out of the Consolidation or the Assignment.

D. The Assignment neither modifies nor amends any provision of this Agreement. It shall continue in effect until termination of the Agreement. Termination of the Agreement and Assignment, however, shall not extinguish any obligation or liability owed by any Party to another on the date of such termination.

This Agreement may be executed in any number of counterparts and, upon execution by Tri-Cities, Edison, and SCWD, each executed counterpart shall have the same force and effect as an original instrument, as if all of them had signed the same instrument. Tri-Cities, Edison, and SCWD, intending to be legally bound, execute this Agreement by the hands of their duly authorized representatives, and each signatory below represents that s/he is the representative who has been duly authorized to execute this Agreement on behalf of the entity for whom they sign:

TRI-CITIES MUNICIPAL WATER DISTRICT

By: Ray Benedicktus

Ray Benedicktus

Title: President

Date: 2/8/2000

APPROVED AS TO FORM:

By: Richard S. Rockwell, Attorney

ATTESTATION:

Donald R. Robeson

By: Secretary, Tri-Cities Board of Directors

SOUTH COAST WATER DISTRICT

By: Richard J. Runge

Richard Runge

Title: President

Date: 2/4/00

APPROVED AS TO FORM:

By: Don R. Atkinson, Attorney

ATTESTATION:

Michael P. Dunbar

By: Secretary, South Coast Board of Directors

SOUTHERN CALIFORNIA EDISON COMPANY, for itself, SDG&E, ANAHEIM, AND RIVERSIDE

By: Dwight E. Nunn

Dwight E. Nunn, Jr.

Title: Vice President

Date: 2/1/00

APPROVED:

STEPHEN E. PICKETT

Vice President and General Counsel

By: Annette Gilliam, Attorney

Date: 1-31-00

Transfer of Title – San Onofre Feeder

AGREEMENT FOR TRANSFER OF THE SAN ONOFRE FEEDER

THIS AGREEMENT, is made and entered into, to be effective on the Effective Date, by and between TRI-CITIES MUNICIPAL WATER DISTRICT (hereinafter referred to as "Tri-Cities"), a municipal water district organized and acting under the Municipal Water District Law of 1911 (California Water Code Sections 71000 et seq.); and SAN DIEGO COUNTY WATER AUTHORITY (hereinafter referred to as "Authority"), a county water authority organized and acting under the California Water Authority Act of the State of California (Stats. 1943, c. 545, as amended), in view of the following facts:

A. Tri-Cities is currently completing a government reorganization action, pursuant to Order of the Orange County Local Agency Formation Commission ("LAFCO"), designated RO99-07, pursuant to the Cortese-Knox Local Government Reorganization Act of 1985 (California Government Code Sections 56000 et seq.), under which Tri-Cities would consolidate with Coastal Municipal Water District (hereinafter the "Reorganization"), to be effective March 31, 2000.

B. Under the Terms and Conditions of the Reorganization, the Tri-Cities' territory in San Diego County shall be detached from Tri-Cities, with the Authority named as successor agency to Tri-Cities for that territory. Also under said Terms and Conditions, Tri-Cities is directed to transfer ownership of the San Onofre Feeder, a water pipeline extending south from the Orange County/San Diego County boundary, to the Authority. The Authority, under the Terms and Conditions, is directed to lease the San Onofre Feeder to the South Coast Water District (hereinafter "South Coast"), which shall provide water service to certain water service customers that had previously been served by Tri-Cities.

C. The Parties intend by this Agreement to provide for transfer of ownership of the San Onofre Feeder from Tri-Cities to the Authority. Lease of the San Onofre Feeder by the Authority to South Coast is the subject of a separate Agreement between the Authority and South Coast.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Transfer of Ownership of the San Onofre Feeder. In accordance with the Terms and Conditions of LAFCO Reorganization No. RO99-07, Tri-Cities shall transfer ownership of the San Onofre Feeder pipeline, including all related appurtenances, together with the rights to the real property interests wherein the pipeline is located, to the Authority. To effect that transfer, Tri-Cities shall execute a Deed that shall be in substantially the form contained in Exhibit "A", attached hereto and incorporated herein as part of this Agreement.

2. Effective Date. The transfer of ownership of the San Onofre Feeder to the Authority shall take effect one (1) day before the effective date of LAFCO Reorganization No. RO99-07. However, in the event that LAFCO Reorganization No. RO99-07 is not completed on or before December 31, 2000, this Agreement shall become null and void.

3. Future Amendments. The Parties hereto, by mutual agreement, may amend or modify this Agreement; provided, however, that any such amendment or modification must be in writing and approved with the same formality as this Agreement.

4. Successors and Assigns. The provisions of this Agreement shall inure to and be for the benefit of the Parties hereto, and their respective successors, assigns, and all other parties acquiring all or any interest herein, either by operation of law, or in any manner whatsoever.

5. Venue and Litigation Costs. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in the Superior Court, County of San Diego, or a federal court situated in the County of San Diego, State of California. In the event of any such litigation between the Parties, the prevailing Party shall be entitled to recover all reasonable costs incurred, including reasonable attorneys' fees, as determined by the court.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.

TRI-CITIES MUNICIPAL WATER DISTRICT

Date: March 22, 2000

By _____

ATTEST:

Donald R. Peterson
Secretary

APPROVED AS TO FORM:

_____

SAN DIEGO COUNTY WATER AUTHORITY

Date: 3/27, 2000

By _____
Thomas M. Nutt, Director
Right of Way Department

APPROVED AS TO FORM:

_____
James J. Taylor
Deputy General Counsel

Order No.
Escrow No.
Loan No.

WHEN RECORDED MAIL TO:

SAN DIEGO COUNTY WATER AUTHORITY
3211 Fifth Avenue
San Diego, California 92103

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DOCUMENTARY TRANSFER TAX $ PUBLIC AGENCY
____ Computed on the consideration or value of property conveyed; OR
____ Computed on the consideration or value less liens or encumbrances remaining at time of sale.

Signature of Declarant or Agent determining tax – Firm Name

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Tri-Cities Municipal Water District, a public agency organized and existing under the Municipal Water District Law of 1911,

does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to,

San Diego County Water Authority, a county water authority organized and acting under the California Water Authority Act of the State of California (Stats. 1943, c. 545, as amended),

the water delivery pipeline, including any and all property rights, easements, permits, and licenses issued for its construction, operation, maintenance, and use, together with any and all appurtenances, connections, and structures thereto previously used by Tri-Cities Municipal Water District in its operation of the pipeline, located in the unincorporated territory of the County of San Diego, State of California,

as is described and generally depicted on Exhibit "A" and Exhibit "B," respectively, attached hereto, commonly referred to as the Tri-Cities Municipal Water District San Onofre Feeder pipeline.

It is the intent of Tri-Cities Municipal Water District that the doctrine of after acquired title shall apply to this Quitclaim Deed and to the transfer described herein.

Dated March 22, 2000

STATE OF CALIFORNIA }
COUNTY OF Orange } ss.

On March 22, 2000 before me,
Linda A. Lazar,
personally appeared Ray Benedicktus and Don R. Roberson

personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to be the person(s) whose name(s) ~~is~~/are subscribed to the within instrument and acknowledged to me that ~~he/she~~/they executed the same in ~~his/her~~/their authorized capacity(ies), and that by ~~his/her~~/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Linda A. Lazar

Ray L. Benedicktus
RAY L. BENEDICKTUS, President

Donald R. Roberson
DONALD R. ROBERSON, General Manager/Secretary

LINDA A. LAZAR
Commission # 1171541
Notary Public - California
San Bernardino County
My Comm. Expires Jan 30, 2002

MAIL TAX STATEMENTS TO:

(This area for official notarial seal)

117614\1

EXHIBIT "A"

San Onofre Feeder

That portion of the Tri-Cities Municipal Water District ("District") water delivery pipeline, commonly referred to as the San Onofre Feeder ("pipeline"), designed and constructed by the District pursuant to the February 15, 1978, Water Service Agreement entered into between the District and the State of California, acting through the Department of Parks and Recreation, and pursuant to the December 1975 Memorandum of Understanding Re Water Supply for San Onofre State Beach and Nuclear Generating Station, located at the San Onofre Feeder point of connection at the Orange County/San Diego County boundary and running southeasterly to its terminus - the San Onofre State Beach and the San Onofre Nuclear Generating Station (end users), excluding that portion of the pipeline northwesterly from the Orange County/San Diego boundary located in the County of Orange, as is more particularly described in Exhibit "A-1," attached hereto.

That certain right of way and incidents thereto for a public highway in and to that portion of the land described in deed to the State of California recorded August 11, 1937 in Book 676, page 401 of Official Records of San Diego County bounded on the Southeast as follows:

Commencing at the Southeasterly terminus of that certain course in said deed to the State with a bearing of N.49°03'W., and a length of 10,033.39 feet; thence, Northwesterly along said course N.48°22'52"W., 4216.59 feet to the TRUE POINT OF BEGINNING; thence, leaving said course, S.42°05'49"W., 105.26 feet to the Southwesterly line of the land described in said deed to the State, being a point on that certain course in said deed with a bearing of S.49°03'E., and a length of 6800.00 feet;

AND, bounded on the Northwest by the following described line:

Commencing at the Northwesterly terminus of that certain course in said deed to the State with a bearing of N.48°06'40"W., and a length of 705.36 feet, said Point of Commencement being described in said deed as being "---N.53°08'E., 50.00 feet from Engineer's Station 512+29.26 P.C. of last said Department of Public Works' Survey---"; thence, along last said course, S.47°23'05"E., 494.95 feet to the TRUE POINT OF BEGINNING; thence, leaving last said course, S.39°10'35"W., 154.27 feet to the Southwesterly line of said deed to the State, being a point on that certain course described as "---along a curve to the left with a radius of 1800 feet, through an angle of 42°48' a distance of 1344.66 feet---".

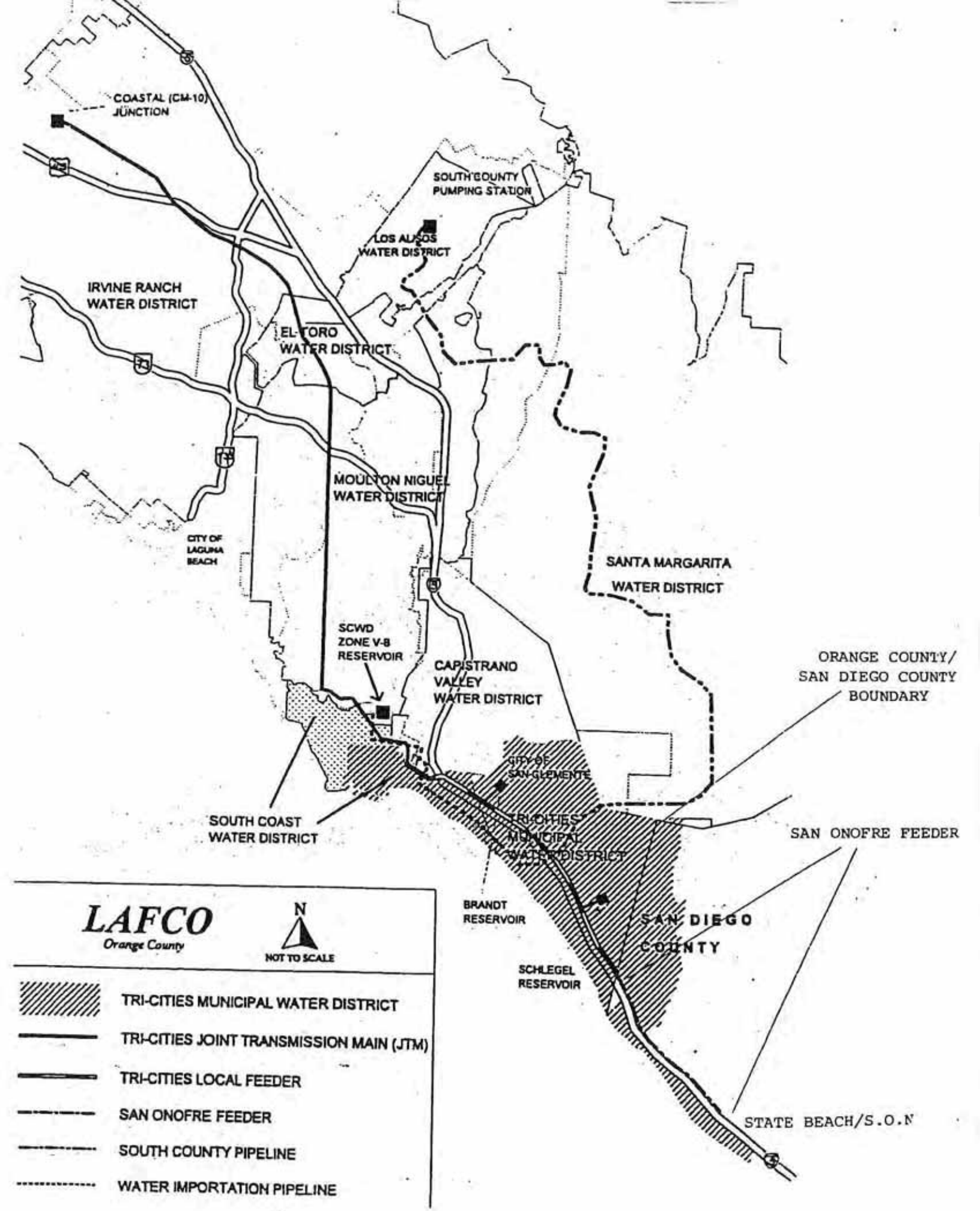
Excepting therefrom those portions lying Northeasterly and Easterly or the following described line, said line being the Westerly boundary of Interstate Highway 11-SD-5:

Beginning at the first above-described TRUE POINT OF BEGINNING on said course in said deed with a bearing of N.49°03'W., and a length of 10,033.39 feet; thence (1) N.42°05'49"E., 100.13 feet to a point on the Easterly sideline of the 100 foot right of way of the Atchison, Topeka and Santa Fe Railway Company, described in deed to the Southern California Railroad Company, recorded October 5, 1898, in Book 274, page 132 of Deeds, filed in the Office of the County Recorder of San Diego County; said point being the TRUE POINT OF BEGINNING; thence (2) along said Easterly sideline N.48°22'52"W., 5,812.77 feet; thence (3) continuing along said Easterly sideline, along a tangent curve to the left, with a radius of 5,779.36 feet, through an angle of 08°22'47", a distance of 845.25 feet; thence (4) continuing along said Easterly sideline, N.56°45'39"W., 1,017.56 feet, to a point on the Easterly sideline of the 100 foot right of way of the Atchison, Topeka and Santa Fe Railway Company, as said right of way is described in deed to said Company, recorded November 9, 1937 in Book 712, page 303, Official Records of said County, thence along said Easterly sideline, which is parallel and concentric to the following described centerline:

Commencing on said centerline at a point which is S.33°14'21"W., 50.00 feet from last said point, thence along the following courses: (5) from a tangent which bears N.56°45'39"W., along a tangent spiral curve, concave Northeasterly, having ten 27 foot chords, through an angle of 01°21'00"; thence (6) along a tangent curve concave Northeasterly having a radius of 5,729.36 feet, through an angle of 11°18'00", a distance of 1,129.96 feet; thence (7) along a tangent spiral curve having ten 27 foot chords, through an angle of 01°21'00"; thence (8) N.42°45'39"W., 935.16 feet; thence (9) along a tangent spiral curve, concave Southwesterly, having ten 27 foot chords, through an angle of 01°21'00"; thence (10) along a tangent curve concave Southwesterly, having a radius of 5,729.36 feet, through an angle of 04°38'00", a distance of 463.32 feet; thence (11) along a tangent spiral curve, concave Southwesterly, having ten 27 foot chords, through an angle of 01°21'; thence (12) N.50°05'39"W., 6,568.69 feet; thence (13) along a tangent spiral curve concave Southwesterly, having ten 17 foot chords, through an angle of 00°25'30"; thence (14) along a tangent curve concave Southwesterly, having a radius of 11,458.63 feet, through an angle of 05°14'49", a distance of 1,049.34 feet; thence (15) along a tangent spiral curve concave Southwesterly having ten 17 foot chords, through an angle of 00°25'30" to the centerline of said 100 foot wide right of way of the Atchison, Topeka and Santa Fe Railway Company, first hereinabove described; thence (16) leaving said centerline and commencing at a point which lies N.33°48'32"E., 50.00 feet from the Northerly terminus of the above described course (15), last said point being on said Easterly sideline of said 100 foot right of way of the Atchison, Topeka and Santa Fe Railway Company, along last said Easterly right of way line, N.56°1' W 4,284.00 feet; thence (17) leaving last said Easterly right of way line, N.49°12'48"W., 660.24 feet; thence (18) N.41°57'46"W., 797.48 feet; thence (19) N.48°03'01"W., 239.10 feet; thence (20) N.52°54'36"W., 304.25 feet; thence (21) N.55°51'48"W., 79.54 feet; thence (22) N.56°17'42"W., 49.89 feet; thence (23) N.58°24'18"W., 48.92 feet; thence (24) N.61°34'42"W., 70.02 feet; thence (25) N.61°51'31"W., 40.20 feet; thence (26) N.63°17'46"W., 104.13 feet; thence (27) N.63°56'35"W., 293.43 feet; thence (28) N.64°18'24"W., 2,148.00 feet; thence (29) N.63°53'45"W., 524.02 feet; thence (30) N.65°57'38"W., 176.07 feet; thence (31) N.67°52'10"W., 178.34 feet; thence (32) N.67°06'13"W., 372.44 feet; thence (33) N.56°44'20"W., 151.33 feet; thence (34) N.66°56'09"W., 550.57 feet; thence (35) N.68°15'40"W., 396.96 feet; thence (36) N.70°52'42"W., 336.70 feet; thence (37) N.77°42'04"W., 250.00 feet; thence (38) S.76°23'59"W., 101.87 feet; thence (39) N.75°47'34"W., 70.00 feet; thence (40) N.82°32'10"W., 70.86 feet; thence (41) N.49°56'48"W., 52.19 feet to a point which bears S.39°10'35"W., 46.56 feet from the above described TRUE POINT OF BEGINNING on that certain course in said deed to the State with a bearing of N.49°06'40"W., and a length of 705.36 feet.

The bearings and distances used in the above description are on the California Coordinate System, Zone 6. Multiply all distances used in the above description by 1.0000500 to obtain ground level distances.

There shall be no abutter's rights of access appurtenant to the above described real property in and to the adjacent State freeway except over and across course (39) hereinabove described.


COASTAL (CM-10) JUNCTION
SOUTH COUNTY PUMPING STATION
LOS ALISOS WATER DISTRICT
IRVINE RANCH WATER DISTRICT
EL TORO WATER DISTRICT
MOULTON NIGUEL WATER DISTRICT
CITY OF LAGUNA BEACH
SANTA MARGARITA WATER DISTRICT
SCWD ZONE V-8 RESERVOIR
CAPISTRANO VALLEY WATER DISTRICT
ORANGE COUNTY/ SAN DIEGO COUNTY BOUNDARY
CITY OF SAN CLEMENTE
SOUTH COAST WATER DISTRICT
TRI-CITIES MUNICIPAL WATER DISTRICT
SAN ONOFRE FEEDER
BRANDT RESERVOIR
SAN DIEGO COUNTY
SCHLEGEL RESERVOIR
STATE BEACH/S.O.N
LAFCO
Orange County
N
NOT TO SCALE
TRI-CITIES MUNICIPAL WATER DISTRICT
TRI-CITIES JOINT TRANSMISSION MAIN (JTM)
TRI-CITIES LOCAL FEEDER
SAN ONOFRE FEEDER
SOUTH COUNTY PIPELINE
WATER IMPORTATION PIPELINE

Water Services Agreement/Lease San Onofre Feeder

WHOLESALE WATER SERVICE AGREEMENT
AND LEASE OF THE SAN ONOFRE FEEDER

This Water Service Agreement (hereinafter "Agreement") is made and entered into, on March 29, 2000, to be effective as of the Effective Date, as defined hereinafter, by and between the SOUTH COAST WATER DISTRICT (hereinafter "South Coast"), a water district organized and acting under the authority of the County Water District Act, California Water Code Sections 30000 et seq., and the SAN DIEGO COUNTY WATER AUTHORITY (hereinafter "Authority"), a county water authority organized and acting under the County Water Authority Act of the State of California (Stats. 1943, c. 545, as amended), in view of the following facts:

A. Prior to 1975, Southern California Edison Company, for itself and on behalf of San Diego Gas and Electric Company (hereinafter collectively "Edison"), explored various methods for establishment of a permanent source of fresh potable water to the San Onofre Nuclear Generating Station (hereinafter "SONGS"), located on lands leased from the United States on Marine Corps Base, Camp Pendleton, California, in San Diego County, and conducted extensive negotiations concerning such water supply with various public agencies including the Authority, Tri-Cities Municipal Water District (hereinafter "Tri-Cities"), and the Metropolitan Water District of Southern California (hereinafter "Metropolitan").

B. During those discussions, the related issue of providing a supply of fresh water to the San Onofre State Beach (hereinafter "State Beach"), also on lands leased from the United States on Camp Pendleton in San Diego County, and to the remainder of the Marine Corps Base, Camp Pendleton (hereinafter "Camp Pendleton") were also addressed. As a result, Edison, the Authority, and Tri-Cities executed that certain "Memorandum of Understanding Re Water Supply for San Onofre Beach and Nuclear Generating Station", dated December 11, 1975 (hereinafter "1975 MOU").

C. The 1975 MOU included specific provisions relating to the wholesale delivery of imported Metropolitan water to the State Beach and SONGS. It was agreed, among other provisions, by the parties thereto that the area would be annexed to the Authority, a member agency of Metropolitan, and to Metropolitan, that imported Metropolitan water delivered to the State Beach and SONGS would be charged against the Authority's entitlement to water from Metropolitan, that the Authority would receive such water at the coastal junction of the Orange County Feeder No. 2, known as "Coastal Junction" or "CM-10 Connection" (hereinafter "Coastal Junction"), that Tri-Cities would transfer and deliver up to 5.07 cubic feet per second of water to the Authority from the Coastal Junction through Tri-Cities' facilities to serve the State Beach and SONGS, and that SONGS and the State Beach would be entitled to receive a certain amount of water under a prescribed rate formula. Tri-Cities agreed to construct a pipeline (now known as the "San Onofre Feeder") and a reservoir (now known as the "Schlegel Reservoir") to

provide service to the State Beach and SONGS. As consideration for the right of SONGS and the State Beach to receive water through Tri-Cities' facilities, and in consideration of the fact that the Authority did not have to construct new facilities to serve the State Beach and SONGS, the Authority paid Tri-Cities the sum of $640,000 for costs of constructing the San Onofre Feeder.

D. Camp Pendleton, including SONGS and the State Beach, was annexed into the corporate areas of the Authority and Metropolitan under terms and conditions stated in Metropolitan Resolution No. 7710 of June 14, 1977, and Authority Resolution No. 77-45 of December 8, 1977 (hereinafter "Annexation Resolutions"). For purposes of this Agreement, the areas included within SONGS and the State Beach are as indicated for the Nuclear Generating Plant Area and the San Onofre State Beach and Park Area, respectively, in Authority Resolution No. 77-45, and as generally depicted in Exhibit A, attached hereto and incorporated herein as part of this Agreement.

E. Tri-Cities, Edison, the State of California, and the City of San Clemente (hereinafter "San Clemente") entered into a "Cooperative Agreement to Furnish Water to San Onofre" dated October 6, 1976 (hereinafter the "Four Party Agreement") by which the parties agreed to cooperate with Tri-Cities in the extension of Tri-Cities facilities to serve water to SONGS and the State Beach. San Clemente, which had been providing water to SONGS through temporary facilities, agreed to continue to provide such service until Tri-Cities' extension project was complete, at which time San Clemente agreed to provide the area with a backup water system.

F. Tri-Cities and State of California, acting through the Department of Parks and Recreation, entered into a "Water Service Agreement", dated February 15, 1978, by which Tri-Cities would serve the State Beach. Tri-Cities and Edison entered into a "Water Service and Reservoir Construction Agreement", dated December 7, 1983, which included terms and conditions of water service by Tri-Cities to Edison, and provided for payment by Edison of a portion of the cost of the Schlegel Reservoir in return for rights of water storage in the reservoir.

G. Tri-Cities and the United States of America, acting through the Southwest Division, Naval Facilities Engineering Command, (hereinafter the "United States") entered into an "Interim Water Service Agreement", dated July 13, 1998 (hereinafter the "1998 Agreement"), which provided for water service by Tri-Cities to the San Mateo Point Housing Area (hereinafter "San Mateo Point") of Camp Pendleton, and contemplated annexation of San Mateo Point to Tri-Cities. For purposes of this Agreement, the areas included within San Mateo Point are as indicated in the 1998 Agreement, and as generally depicted in Exhibit B.

H. Edison and the United States have entered into an agreement as of March 7, 2000 whereby Edison has transferred a portion of the capacity it is entitled to receive through Tri-Cities facilities and the San Onofre Feeder to the United States for the use of Camp Pendleton.

I. The Orange County Local Agency Formation Commission (hereinafter "LAFCO") is presently considering an application submitted by Tri-Cities (hereinafter the "Tri-Cities Application") for the Consolidation of Tri-Cities with Coastal Municipal Water District (hereinafter "Coastal") and Detachment of Tri-Cities San Diego Territory. Under the Terms and Conditions of Consolidation, the Authority would become the successor agency to Tri-Cities' San Diego County service area and assume ownership of the San Onofre Feeder in San Diego County; however, South Coast would provide operations, maintenance, and repair of the San Onofre Feeder and appurtenant facilities, and would be compensated for those services by contract with the Authority and with the San Diego County customers. Further, the Terms and Conditions of Consolidation provides that capacity currently reserved for customers in the San Diego service area in Tri-Cities' transmission facilities from the Coastal Junction to the San Onofre Feeder (hereinafter the "Joint Transmission Main") be transferred in trust to South Coast for the benefit of those customers.

J. South Coast has agreed to assume responsibility for providing water service to SONGS, the State Beach, and San Mateo Point under substantially the same terms as water service has historically been provided to SONGS and the State Beach by Tri-Cities, or as otherwise provided in agreements between South Coast or Tri-Cities, and those parties. South Coast's obligations with respect to water delivery service and agreements with the Authority, Edison, State of California and United States for such service, are included in the Terms and Conditions of LAFCO Reorganization No. RO99-07, which implements the Tri-Cities Application. The parties recognize that for South Coast to provide such water service, it is necessary for the Authority to lease the San Onofre Feeder to South Coast under terms that will give South Coast operational control and responsibility for the San Onofre Feeder.

K. The parties hereto desire by this Agreement to formally state the terms and conditions under which South Coast will provide continuing water service to SONGS, the State Beach, and Camp Pendleton, through water facilities South Coast owns and operates or holds capacity rights, and through operation of the San Onofre Feeder under lease to South Coast from the Authority. Further, the parties intend that this agreement shall complement additional water service agreements between South Coast and Edison, the State of California, and the United States, for service to SONGS, the State Beach, and San Mateo Point.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND CONVENANT CONTAINED HEREIN, IT IS AGREED AS FOLLOWS:

1. Authority Entitlement to Receive Water at Coastal Junction. The Authority is entitled to receive up to 5.07 cubic feet per second of water from Metropolitan at the Coastal Junction, under the terms and conditions stated in Metropolitan Annexation Resolution No. 7710 of July 14, 1977. Neither the terms of this Agreement, nor the terms of the water service agreements to be executed between South Coast and Edison, the State of California, and the United States shall alter, amend, or otherwise decrease the authorized allotment of water from Metropolitan to the Authority.

2. Delivery of Water by South Coast. South Coast shall transport and deliver through facilities which it either owns, or in which it has capacity rights, in whole or in part, or which it operates, pursuant to agreements with other owners from the Coastal Junction to the San Onofre Feeder all water which the Authority may be entitled to receive at the Coastal Junction, but such transportation and delivery shall not exceed the maximum amount contracted for by SONGS, State Beach and Camp Pendleton, respectively and collectively, and in no event more than the 5.07 cubic feet per second Metropolitan allotment. The Authority hereby designates South Coast as its agent for ordering and accepting delivery of water from Metropolitan, through Coastal Municipal Water District, or its successor, at Coastal Junction pursuant to this Agreement. Facilities through which water shall be transported by South Coast pursuant to this Section 2 are generally depicted in Exhibit C, attached hereto and incorporated herein as a part of this Agreement.

3. Lease of San Onofre Feeder. South Coast hereby leases from the Authority, and the Authority leases to South Coast, the San Onofre Feeder and appurtenant facilities for the sole purpose of delivery of water pursuant to this Agreement (hereinafter referred to as the "Lease"). South Coast shall maintain, keep in good repair, operate, and replace as needed the San Onofre Feeder, for the purpose of delivering water from its facilities, as provided in Sections 1 and 2, above, through the San Onofre Feeder to SONGS, the State Beach, and San Mateo Point, up to the quantities provided in Section 2 above and Section 5, below. The undertaking of major repairs or replacement of any or all portions of the facility by South Coast is subject to the recovery of the costs thereof as provided in the then current water service agreements between South Coast and Edison, the State of California, and/or the United States. The San Onofre Feeder is generally depicted in Exhibit D, attached hereto and incorporated herein as part of this Agreement. The parties hereto expressly agree that the Schlegel Reservoir is not a portion of the San Onofre Feeder, and that the City of San Clemente will own and operate Schlegel Reservoir and could use the Reservoir to facilitate deliveries through the San Onofre Feeder, subject to Edison's rights in the Schlegel Reservoir, which are described in a separate Agreement between

the City of San Clemente and/or South Coast and Edison. The San Onofre Feeder consists of facilities which are entirely within San Diego County.

4. Consideration for Lease by Authority and Water Service by South Coast. Authority leases the San Onofre Feeder to South Coast at no monetary cost. South Coast's consideration for the Lease consists of the covenants into which South Coast has entered under this Agreement. South Coast shall be entitled to compensation from Edison, State Beach and United States for water service in accordance with the terms of water service agreements between South Coast and each of those entities. Additionally, the Authority shall transfer to South Coast any revenues it may receive from the unitary/operating non-unitary tax on SONGS; however, the Authority shall retain any other taxes, fees, charges, or assessments collected by or for the Authority or on behalf of Metropolitan relating to SONGS or any other territory within the Authority service area. The Authority shall have no other obligation whatsoever to compensate South Coast for South Coast's water service under this Agreement, or for any costs associated with such water service, including but not limited to operation, maintenance, repair, and replacement of any facilities necessary to carry out South Coast's water service obligations. Additionally, South Coast shall assume and pay any and all obligations the Authority may have for payment of debt incurred by Tri-Cities related to the construction, repair, operation, maintenance, and/or replacement of any and all facilities that may be utilized to deliver or store water under this Agreement.

5. Authority's Entitlement. Water received at the Coastal Junction and delivered to SONGS, the State Beach, and San Mateo Point, pursuant to the then current water service agreements between South Coast and Edison, the State of California, and the United States, up to the amount of 5.07 cubic feet per second, shall be charged against the Authority's entitlement to water from Metropolitan, as described in Recital C above, and shall not affect the entitlement of any other member agency of Metropolitan.

6. Allocations to SONGS, the State Beach, and San Mateo Point. Of the Metropolitan water allocation which the Authority is entitled to receive at the Coastal Junction, and which South Coast shall transport and deliver as provided herein, SONGS', State Beach' and San Mateo Point's proportionate share entitlement of Authority's allocation shall not exceed the amounts set forth in the Annexation Resolution.

7. Water Charges. South Coast shall abide by all rules and regulations of the Authority pertaining to the provision of wholesale water service and shall timely pay for such wholesale water service in accordance with the rates, fees, and charges established from time to time by the Authority Board of Directors. The agencies owning SONGS, the State Beach, and San Mateo Point shall submit payment for water service to South Coast in accordance with the then current water service agreements between each agency and South Coast. Payment for

water service to SONGS, the State Beach, and San Mateo Point shall be made directly to South Coast by those parties, and South Coast shall remit to the Authority such rates, fees, and/or charges as are payable to the Authority.

8. Upkeep and Operation of San Onofre Feeder. South Coast shall, as lessee, take possession of the San Onofre Feeder in its condition at the time of initiation of the lease, and at its cost shall operate, maintain, repair, and, as needed, replace that facility so as to keep the facility in good repair and provide efficient service to SONGS, the State Beach, and San Mateo Point. The undertaking of major repairs or replacement of any or all portions of the facility by South Coast is subject to the recovery of the costs thereof, as provided in the then current water service agreements between South Coast, Edison, the State of California, and the United States. The Authority shall not be responsible for the condition of the San Onofre Feeder, or for any costs associated with the operation, maintenance, repair, replacement, or improvements to it. South Coast shall operate, maintain, and, as needed, repair the San Onofre Feeder in accordance with all applicable state, federal, and local laws and regulations, and shall comply with all licenses, permits, or other grants of use of real property issued to Tri-Cities, its successors, or the Authority for operation and maintenance of the Feeder, as if South Coast were the permittee, licensee, or grantee. Compliance by South Coast shall include, but is not limited to, insurance required of a permittee, licensee, or grantee.

9. Use and Control of Facilities; Indemnification of Authority. South Coast shall own, lease, maintain capacity, or otherwise have sufficient rights of use in all facilities necessary to bring the amount of Metropolitan imported water as identified in this Agreement from the Coastal Junction to SONGS, the State Beach, and San Mateo Point. The parties intend that all Authority water delivered at Coastal Junction shall be delivered through the Joint Transmission Main, or alternatively through the Water Importation Pipeline, the Local Transmission Main, and then through the San Onofre Feeder. Any additional pipelines, structures, connections, or other facilities required for such delivery shall be provided by South Coast without cost to the Authority, and the Authority shall be under no obligation to provide construct, operate, maintain, or replace any such facilities. All improvements and repairs made to the San Onofre Feeder, and any reconstruction or replacement of the San Onofre Feeder, shall be considered a part of the San Onofre Feeder, and as such shall be the property of the Authority subject to the Lease of the San Onofre Feeder to South Coast contained herein. To the extent that South Coast shall have control over the operations, maintenance, and repair of the Joint Transmission Main, the Local Transmission Main, the San Onofre Feeder, and other necessary facilities, South Coast agrees to save harmless and indemnify the Authority from and against all liability or claims of liability that may arise out of said operation, maintenance, repair, and replacement of such facilities.

10. Obligation to Repair, Reconstruct, and/or Replace Facilities. In the event of total or partial destruction, damage, or deterioration of the facilities identified in Section 9, above, from any cause, South Coast shall, at its own cost and expense, take action, within a reasonable time as determined by the circumstances, to repair, reconstruct, and/or replace such facilities and to put such facilities back into operation. The undertaking of major repairs or replacement of any or all portions of the facilities by South Coast is subject to the recovery of the costs as provided in the then current Water Service Agreements between South Coast, Edison, State of California, or United States.

11. Effective Date and Term. This Agreement shall take effect one day before the effective date of LAFCO Reorganization No. RO99-07 (hereinafter the "Effective Date"). In the event LAFCO Reorganization No. RO99-07 is not completed on or before December 31, 2000, this Agreement shall be deemed null and void. The term of this Agreement and for the Lease created hereunder shall be for fifty (50) years from the Effective Date unless earlier terminated, modified, or amended by operation of this Agreement or by mutual agreement of the parties. Either the Authority or South Coast shall have the unilateral option to extend this Agreement and Lease term for a period of an additional fifty (50) years following completion of the initial Agreement and Lease term. The option to extend the term shall be exercised by providing written notice of such option to the other party at least five years prior to the expiration of the initial fifty year term. South Coast and the Authority each understand and agree that the Authority's property rights in the San Onofre Feeder are limited to any such rights received by the Authority from Tri-Cities, by operation of law, or in the future from other parties. South Coast and the Authority agree that if at any time limitations on the Authority's property rights in the San Onofre Feeder, including any real property rights associated with the Feeder, are insufficient to allow the Authority to perform all of its obligations under this Agreement and Lease, and also deprive South Coast of its ability to materially perform its water service obligations under this Agreement, then this Agreement and Lease shall terminate without penalty of any kind to either party.

12. Continuing Application of the Annexation Resolutions. This Agreement shall in no way affect the provisions or the continuing application of the terms and conditions of the Annexation Resolutions, except that the parties hereto agree that South Coast, by virtue of the provisions of the LAFCO approval of the Tri-Cities Application and the provisions of this Agreement, shall be considered for purposes of this Agreement as successor to Tri-Cities' water delivery obligations under the Annexation Resolutions.

13. South Coast Warranty. South Coast warrants that it has the authority and is empowered under applicable law and regulation to provide water service to SONGS, the State Beach, and San Mateo Point as described in this Agreement.

14. Entire Agreement. This instrument is a final, complete, and exclusive statement of the terms of the Agreement between the Parties, and supercedes any prior agreements, written or oral, between the Authority and Tri-Cities, or between the Authority and South Coast, regarding the subject matter of this Agreement.

15. Future Amendments. The parties hereto, by mutual agreement, may amend or modify this Agreement; provided, however, that any such amendment or modification must be in writing and approved with the same formality as this Agreement.

16. Assignment. Neither party may assign its duties and obligations under this Agreement without the express written consent of the other, which consent shall not be unreasonably withheld. This Section 16, however, shall not impair South Coast's right and ability to contract with third parties to perform on behalf of South Coast, any or all of South Coast's ministerial or routine functions or duties under this Agreement.

17. Successors and Assigns. The provisions of this Agreement shall inure to and be for the benefit of the parties hereto, and their respective successors, assigns, and all other parties acquiring all or any interest herein, either by operation of law or in any manner whatsoever. If either party or any successor-in-interest reorganizes or otherwise disposes of facilities needed to meet its obligations under this Agreement, that party shall make assignment of this Agreement to the successor-in-interest a condition of such reorganization or sale.

18. Venue and Litigation Costs. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in the Superior Court, County of San Diego, or a federal court situated in the County of San Diego, State of California. In the event of any such litigation between the parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorneys' fees, as determined by the court.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

SOUTH COAST WATER DISTRICT

Date: 3-23-2000 By: Richard D. Runge
President

ATTEST:
Michael P. Dunbar
Secretary

[Signatures Continued on Next Page]

[Continuation of Signatures]

APPROVED AS TO FORM:

SAN DIEGO COUNTY WATER AUTHORITY

Date: 3/29/2005

By: Thomas M. Nutt
Director of Right of Way

ATTEST:

Board Secretary

APPROVED AS TO FORM:

James J. Taylor
Deputy General Counsel

Exhibit “B”

RESOLUTION NO. 24-99/00

A RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH COAST WATER DISTRICT ACKNOWLEDGING THE FINAL APPROVAL OF REORGANIZATION NO. RO99-07 BY THE ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION; ACCEPTING THE TERMS AND CONDITIONS OF ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION RESOLUTION NO. 99-07; AND ACCEPTING CERTAIN POWERS, RIGHTS, AND DUTIES OF TRI-CITIES MUNICIPAL WATER DISTRICT, INCLUDING THAT CERTAIN ASSIGNMENT OF CONTRACTS, AGREEMENTS, PERMITS, AND OTHER OBLIGATIONS

WHEREAS, the Orange County Board of Supervisors, by approval on February 15, 2000 of Resolution No. 00-60, has ordered the Consolidation of Tri-Cities Municipal Water District ("TCMWD") and Coastal Municipal Water District ("CMWD"); and

WHEREAS, the Consolidation is based upon the Application for Reorganization submitted by TCMWD and CMWD to the Orange County Local Agency Formation Commission ("LAFCO"), which approved said Application, subject to enumerated Terms and Conditions; and

WHEREAS, CMWD becomes the legal successor-in-interest to TCMWD, but in furtherance of the Terms and Conditions of approval, certain general assignments of agreements are to be transferred to South Coast Water District ("SCWD"), together with the transfer of most assets and liabilities; and

WHEREAS, pursuant to authority of the approval of Reorganization No. 99-07, several Agreements have been made and entered into relative to the duties, obligations, and rights of SCWD, in furtherance of the Reorganization; and

WHEREAS, SCWD, as the successor-in-interest to the numerous rights and obligations of TCMWD, desires to acknowledge the final approval of the Consolidation, and accepts all the rights, powers, and duties of TCMWD, in accordance with State law, the orders of approval of Reorganization No. RO99-07, and the Agreements executed by and among affected and interested agencies to be effective concurrent with the effective date of the Reorganization.

NOW, THEREFORE, the Board of Directors of South Coast Water District, does hereby RESOLVE, DETERMINE, and ORDER as follows:

Section 1: SCWD acknowledges, agrees, and approves the action of the Orange County Board of Supervisors adopting Resolution No. 00-60, ordering the Consolidation of Tri-Cities Municipal Water District and Coastal Municipal Water District, which Resolution is attached hereto as Exhibit "A", and incorporated herein by reference.

3-2-00

Section 2: SCWD accepts all of the powers, rights, duties, obligations, functions, and properties of TCMWD, as provided for in the Resolution ordering the Consolidation, including but not limited to, approval of terms and Conditions of Orange County Local Agency Formation Commission Resolution No. 99-07, approving the Consolidation, which Resolution is attached hereto as Exhibit "B", and incorporated herein by reference.

Section 3: SCWD shall henceforth carry out the powers, rights, duties, obligations, and functions of TCMWD, as prescribed by Board of Supervisors' Resolution No. 00-60 ordering the Consolidation, and the Terms and Conditions of those certain Agreements entered into by and among SCWD and other interested and affected agencies relating to the assets and liabilities of TCMWD.

Section 4: SCWD shall henceforth act, pursuant to the assignment of contracts, to receive all benefits, and undertake to perform all existing obligations, whether by written or oral contract, license, permit, or other document or instrument.

Section 5: Notwithstanding the effect of California Government Code Section 57500, and assignment of contracts, SCWD hereby receives for itself, accepts, affirms, and commits to carry out all oral or written contracts, agreements, licenses, permits, applications, entitlements, awards, judgments or other forms of benefits or obligations existing by and between TCMWD and any other parties, governmental entitles, agencies, or organizations as of March 31, 2000. The same shall be performed as if entered into, granted to, awarded to, or executed directly by SCWD, upon a review and determination that the same evidences a validly-existing benefit or obligation binding upon, or available to, TCMWD.

Section 6: The Board of Directors of SCWD hereby affirms and readopts all of the adopted and existing policies of TCMWD, and its Boards of Directors that have been adopted by Resolution or Minute Order.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of South Coast Water District held March 2, 2000.

Richard D. Runge
President

ATTEST:
Michael P. Hunter
Secretary

CERTIFICATION

I, Michael P. Dunbar, Secretary of the South Coast Water District, Orange County, California, do hereby certify that the foregoing **Resolution No. 24-99/00** was duly adopted at a Regular meeting of the Governing Board of said District, held on the 2ndd day of March, 2000, by the following vote of members of the Board:

AYES: Gordon, Carpenter, Bishop, Runge, Hinman and Roberts

NOES:

ABSENT: Gardner

ABSTAIN:

I further certify that Richard Runge, as President, and Michael P. Dunbar, as Secretary, signed and approved said **Resolution No. 24-99/00** on the 2nd day of March, 2000.

Michael P. Dunbar
Secretary of the Board

(District Seal)

EXHIBIT "A"

RESOLUTION OF THE BOARD OF SUPERVISORS OF

ORANGE COUNTY, CALIFORNIA

February , 2000

On motion of Supervisor Wilson, duly seconded and carried, the following Resolution was adopted:

WHEREAS, the proposed Reorganization of the Tri-Cities Municipal Water District, designated as "Reorganization of Tri-Cities Municipal Water District with Coastal Municipal Water District" (RO99-07), was considered by the Local Agency Formation Commission of the County of Orange and approved by LAFCO Resolution RO99-07 on January 26, 2000; and

WHEREAS, the Tri-Cities Municipal Water District comprises approximately 18 square miles in southern Orange County and northern San Diego County and includes the City of San Clemente and portions of the City of Dana Point; and

WHEREAS, this conducting authority hearing has been duly noticed; and

WHEREAS, this conducting authority proceeding is being conducted pursuant to the Cortese-Knox Local Government Reorganization Act, Division 3 of Title 5 of the California Government Code; and

WHEREAS, the reasons for the change of organization are as set forth in the application on file with the Local Agency Formation Commission; and

WHEREAS, the regular County assessment roll will be utilized; and

WHEREAS, the affected territory will be taxed for existing general bonded indebtedness of any agency whose boundaries are changed; and

WHEREAS, the terms and conditions as imposed by the Orange County Local Agency Formation Commission are as shown on Attachment "A" to this Resolution;

NOW, THEREFORE, BE IT RESOLVED this Board does hereby find and determine as follows:

1. The foregoing recitals are true and correct;

2. The Orange County Local Agency Formation Commission designated this Board of Supervisors as the conducting authority and directed the Board of Supervisors to conduct the proceedings

for Reorganization of Tri-Cities Municipal Water District without an election in compliance with LAFCO Resolution RO99-07 and Government Code section 57000 et seq. and 56839.1;

3. The value of written protests by registered voters within the districts to be reorganized which have been filed and not withdrawn is less than fifty percent of the number of voters residing in the affected territory.

BE IT FURTHER RESOLVED that, acting as the conducting authority pursuant to the Cortese-Knox Act and Pursuant to direction from the Orange County Local Agency Formation Commission; this Board does hereby order the Reorganization of Tri-Cities Municipal Water District without an election, subject to the Clerk of the Board of Supervisors' confirmation pursuant to subsection 57081(b) of the Cortese-Knox Act that the requisite number of protest petitions have not been filed within thirty (30) days of the adoption of this Resolution.

//

//

//

The foregoing was passed and adopted by the following vote of the Orange County Board of Supervisors on February 15, 2000, to wit:

AYES:	Supervisors:	THOMAS W. WILSON, JAMES W. SILVA, TODD SPITZER CYNTHIA P. COAD, CHARLES V. SMITH
NOES:	Supervisor(s):	
EXCUSED:	Supervisor(s):	
ABSTAINED:	Supervisor(s):	

Charles V Smith

CHAIRMAN

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, DARLENE J. BLOOM, Clerk of the Board of Orange County, California, hereby certify that a copy of this document has been delivered to the Chairman of the Board and that the above and foregoing Resolution was duly and regularly adopted by the Orange County Board of Supervisors.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

Robin Stieler for

DARLENE J. BLOOM
Clerk of the Board
County of Orange, State of California

Resolution No: 00-60

Agenda Date: 02/15/2000

Item No: 50

I certify that the foregoing is a true and correct copy of the Resolution adopted by the Board of Supervisors, Orange County, State of California

DARLENE J. BLOOM, Clerk of the Board of Supervisors

By: _____
Deputy

EXHIBIT "B"

RO99-07

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA MAKING DETERMINATIONS AND ADOPTING A ZERO SPHERE OF INFLUENCE FOR THE TRI-CITIES MUNICIPAL WATER DISTRICT, AND APPROVING THE DETACHMENT OF TRI-CITIES' SAN DIEGO COUNTY TERRITORY AND THE CONSOLIDATION OF TRI-CITIES MUNICIPAL WATER DISTRICT AND COASTAL MUNICIPAL WATER DISTRICT

January 26, 2000

On motion of Commissioner Herzog, duly seconded and carried, the following resolution was adopted:

WHEREAS, on August 4, 1999 the Orange County Local Agency Formation Commission ("LAFCO") received a reorganization proposal submitted by resolution of the Tri-Cities Municipal Water District ("Tri-Cities") Board of Directors requesting the consolidation of Tri-Cities with Coastal Municipal Water District ("Coastal"), in anticipation of Coastal's pending consolidation with the Municipal Water District of Orange County ("MWDOC"); and

WHEREAS, on August 12, 1999, Coastal adopted a resolution substantially similar to that adopted by Tri-Cities proposing the same reorganization; and

WHEREAS, pursuant to Section 56839 of the Cortese-Knox Local Government Reorganization Act of 1985 (the "Act"), these joint resolutions of application designated as "Reorganization of Tri-Cities Municipal Water District with Coastal Municipal Water District" (RO99-07) (the "joint resolutions"), were duly filed with and accepted for filing by the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 et seq of the Government Code; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56838 set December 15, 1999 as the hearing date on this proposal; and

WHEREAS, pursuant to (1) comments received at a preliminary LAFCO workshop on November

10, 1999, (2) various interim meetings with affected agencies, Southern California Edison, the State of California, and the United States Department of Navy, (3) written and oral testimony provided at the LAFCO hearing on December 15, 1999, and (4) testimony and staff analysis prepared in connection with LAFCO's prior approval of RO97-06, LAFCO at the December 15, 1999 hearing ordered changes in some the terms and conditions proposed in the joint resolutions; and

WHEREAS, pursuant to Subsection 56839(a) of the Act, LAFCO directed the Executive Officer to give each subject agency notice of the changes in the proposed terms and conditions; and

WHEREAS, during the succeeding 30 days, LAFCO staff did accept and consider comments on the changes to the terms and conditions proposed in the joint resolutions and modifications to the terms and conditions proposed by LAFCO staff in response to those comments; and

WHEREAS, at a continued hearing on January 26, 2000, LAFCO did consider and approve the modified terms and conditions pursuant to Subsection 56839(b) of the Act;

WHEREAS, the Executive Officer, pursuant to Government Code Section 56833 has reviewed the joint applications and prepared a report including her recommendation thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of adoption of a "zero" sphere of influence for Tri-Cities, detachment of Tri-Cities territory in San Diego County, assumption of Tri-Cities' function in San Diego County by the San Diego County Water Authority, and the consolidation of Tri-Cities with Coastal -- with the assumption of functions and services formerly provided by Tri-Cities by other entities pursuant to various leases, service contracts, and transfer agreements among the affected agencies; and

WHEREAS, this Commission on November 10, 1999, December 15, 1999, and January 26, 2000 considered the proposal and the report of the Executive Officer, and considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, at its hearings on this reorganization, this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the reports of the Executive Officer, which reports are incorporated into this resolution by reference; and

WHEREAS, the Executive Officer determined this proposal to be categorically exempt (class 20 by Section 15320) from the provisions and requirements of the California Environmental Quality Act.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE and ORDER as follows:

Section 1. The sphere of influence of Tri-Cities is hereby amended to a "zero" designation, and the Statement of Determinations, shown as "Attachment B" are hereby adopted.

Section 2. The territory of Tri-Cities located in San Diego County is hereby detached from Tri-Cities.

Section 3. The consolidation of Tri-Cities and Coastal is hereby approved subject to the terms and conditions attached to and incorporated into this resolution shown as "Attachment A."

Section 4. Said territory includes approximately 18 square miles and is found to be inhabited. Said territory is found to be in the County of Orange and the County of San Diego and is assigned the following distinctive short-form designation: "Tri-Cities Reorganization" (RO99-07).

Section 5. The County of Orange is designated as the conducting authority and is hereby directed to conduct proceedings in compliance with this resolution and Government Code Sections 56839(a) and 57081.

Section 6. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as provided in Section 56853 of the Government Code.

AYES: Four

NOES: Two

ABSENT: Zero

STATE OF CALIFORNIA)

ss

COUNTY OF ORANGE)

I, DANA M. SMITH, Executive Officer of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 26th day of January, 2000.

IN WITNESS WHEREOF, I have hereunto set my hand this 27 day of January 2000.

DANA M. SMITH
Executive Officer of the
Local Agency Formation Commission

By: Dana M. Smith

Commission Clerk

TERMS AND CONDITIONS
REORGANIZATION OF TRI-CITIES MUNICIPAL WATER DISTRICT WITH COASTAL MUNICIPAL WATER DISTRICT

GENERAL TERMS AND CONDITIONS

1. Effective Date of Reorganization

The effective date for RO99-07 shall be March 31, 2000, unless extended by the Commission at its regular meeting on February 9, 2000 pursuant to a written request filed by an affected agency prior to the posting of the agenda for that meeting. In the latter circumstance, RO99-07 shall become effective on the date of recordation.

2. Designation of the Consolidated District

Tri-Cities Municipal Water District ("TRI-CITIES") and Coastal Municipal Water District ("CMWD") shall be consolidated into a successor agency to be known as the Coastal Municipal Water District, subject to the terms and conditions contained herein. Notwithstanding the foregoing, if the date of recordation occurs on or after the effective date of the consolidation of CMWD with the Municipal Water District of Orange County ("MWDOC"), which is scheduled to occur on January 17, 2001, then TRI-CITIES shall be consolidated with the CMWD/MWDOC successor agency, which will be known as the Municipal Water District of Orange County ("the Consolidated MWDOC"), and all terms and conditions hereof relating to CMWD as the successor agency shall instead be applied to the Consolidated MWDOC agency.

3. Rules and Regulations

Until revised by the Board of Directors of the successor agency, CMWD's policies and practices and Administrative Code existing on the day before the effective date shall govern the activities of the successor agency upon consolidation.

4. Fees, Charges, Assessments and Rates

The successor agency has the discretionary authority to impose and collect all charges, fees, and assessments previously approved by either TRI-CITIES or CMWD. Nothing in these terms and conditions shall limit the ability of the Board of Directors of the successor agency to establish and levy charges, fees, and assessments as it determines necessary, in accordance with then current water service agreements with TRI-CITIES' successor.

5. Jurisdiction of LAFCO

Subject to the statutory rights of TRI-CITIES and CMWD as set forth in Government Code Section 56839, LAFCO shall retain jurisdiction prior to recordation to hear and amend, if necessary, any terms or conditions that requires agreement among parties.

TRANSFER OF RESPONSIBILITIES, ASSETS, AND LIABILITIES

6. Transfer of Assets

Subject to the specific provisions of Terms and Conditions Nos. 9, 11, 12, 14, 15, and 16, prior to the effective date of this Reorganization, TRI-CITIES and South Coast Water District ("SCWD") shall enter into an agreement acceptable to CMWD pursuant to which the assets (including but not limited to all real or personal property, all water systems, cash on hand, long and short term investments, reserve funds, and monies due but uncollected) of TRI-CITIES shall be transferred to SCWD as contract operator (the "Transfer Agreement"). Such assets shall be held in trust to be used or expended in accordance with the terms and conditions of the Transfer Agreement; provided, however, assets securing TRI-CITIES debts or obligations assigned or transferred to SCWD as contract operator shall be used as set forth in Term and Condition No. 7, below.

If the parties have not entered into a Transfer Agreement by the effective date, subject to Terms and Conditions Nos. 9, 11, 12, and 14, any assets of TRI-CITIES that are not assigned or transferred shall become the assets of SCWD as contract operator. Neither CMWD nor MWDOC shall have any obligation or responsibility with respect to said obligations.

7. Transfer of Debts, Liabilities, Contracts and Obligations

Subject to the specific provisions of Terms and Conditions Nos. 8 through 13 and 15, prior to the effective date of this Reorganization, TRI-CITIES shall enter into an agreement, or agreements, with SCWD as contract operator, in a form acceptable to CMWD, pursuant to which all debts, liabilities, contracts, and obligations of TRI-CITIES, including TRI-CITIES' bonded indebtedness and Certificate of Participation Financing, shall be transferred and assigned to SCWD as contract operator. SCWD as contract operator shall arrange for collection of revenues sufficient to pay principal and interest and for payment of debt service when due. Any debts, liabilities, contracts, or obligations of TRI-CITIES that are not assigned or transferred pursuant to agreement shall become the debts, liabilities, contracts, and obligations of SCWD. Neither CMWD nor MWDOC shall have any obligation or responsibility with respect to said obligations.

Any assets securing TRI-CITIES debts, liabilities, contracts, or obligations assigned or transferred to SCWD shall continue to secure the payment and discharge of such debts, liabilities, contracts and obligations to the extent they are determined to be properly due and owing.

Any assessments levied on behalf of TRI-CITIES or any bills or statements rendered by or on behalf of TRI-CITIES shall continue to be a debt or obligation of the person or property against whom levied, assessed, or rendered unless relieved by the successor agency or SCWD.

8. No Impairment of Bondholder Rights

This Reorganization shall not impair any rights of any bondholder or creditor of TRI-CITIES.

9. Transfer of Permit Rights and Obligations

Prior to the effective date of this Reorganization, TRI-CITIES shall enter into an agreement, or agreements, with SCWD as contract operator, pursuant to which all executory provisions, entitlements, obligations, and rights under regulatory permits, to which TRI-CITIES is a permittee, shall be transferred or assigned to SCWD. The transferee or assignee shall assume all obligations of TRI-CITIES thereunder. Said agreements shall be in a form acceptable to CMWD. To the extent that the consent of the issuing agency of a regulatory permit is required for such transfer or assignment, such consent shall be obtained by TRI-CITIES.

If by the effective date the parties have not reached agreement on the terms of the transfer or assignment of entitlements, obligations, and rights under regulatory permits, all such permits shall automatically be assigned and transferred to SCWD as contract operator.

10. Wholesale Water Service

A. Orange County

Upon the effective date of this Reorganization, CMWD shall provide wholesale water service and sell imported Metropolitan Water District of Southern California ("MWD") water directly to the City of San Clemente ("CITY") and to SCWD at the water rates and subject to the existing rules, regulations, and terms and conditions for water service applicable to the other CMWD member agencies, as such rates, rules, and regulations are set from time to time by the CMWD's Board of Directors.

B. San Diego County

(1) Detachment

The portion of TRI-CITIES that is within San Diego County shall be detached from TRI-CITIES, and the San Diego County Water Authority ("SDCWA") shall be the successor agency. The SDCWA shall not hereby incur any new obligations other than those specified in other Terms and Conditions.

(2) Metropolitan Allocation

Consistent with the existing agreements described below, imported MWD water allocations for Southern California Edison San Onofre Nuclear Generating Station ("SONGS"), the State of California (San Onofre State Park) ("STATE BEACH"), and the United States Department of Navy ("CAMP PEN") up to the amount of 5.07 cfs shall continue to be provided by SDCWA through SCWD as a portion of SDCWA's allocation from MWD and shall not affect the entitlement of any other agency.

(3) Water Service Agreements

Prior to the effective date of this Reorganization, SDCWA and SCWD shall execute the Wholesale Water Service Agreement and Lease of the San Onofre Feeder attached hereto as Exhibit "A" under which SDCWA shall lease that portion of the TRI-CITIES Transmission Main located in San Diego County (hereafter, the "San Onofre Feeder") to SCWD. That lease shall include a provision to the effect that any revenues received by SDCWA from the unitary/operating non-unitary tax on the SONGS property, which had been previously paid to TRI-CITIES, will be transferred to SCWD as contract operator of the San Onofre Feeder. SCWD as contract operator may enter into water service agreements with SDCWA, SONGS, STATE BEACH, and CAMP PEN detailing the arrangements for water service, water delivery, and operations and maintenance for the TRI-CITIES service area located in San Diego County. If no new water service agreement has been entered into between a party and SCWD as contract operator, these services shall be provided under substantially the same conditions as the existing, or then current conditions as the agreements described below between TRI-CITIES and that entity, and guaranteeing that entity substantially the same rights as exist in the following existing, or then current agreements with TRI-CITIES:

- The "Memorandum of Understanding Re Water Supply for San Onofre Beach and Nuclear Generating Station", dated December 12, 1975, between TRI-CITIES, SDCWA, and SONGS;

- The "Water Service Agreement", dated February 15, 1978, between TRI-CITIES and the STATE BEACH;

- The "Water Service and Reservoir Construction Agreement", dated December 7, 1983, between TRI-CITIES and SONGS; and

- The "Interim Water Service Agreement", dated July 13, 1998, between TRI-CITIES and CAMP PEN.

Any new water service agreement(s) shall provide SONGS, STATE BEACH, and CAMP PEN with continued water service, utilizing CMWD's connections to the MWD System, as described in the existing agreements and annexation documents under substantially the same terms and conditions as are currently provided in existing agreements with TRI-CITIES. Such agreements shall also include the negotiated transfer of the right to use up to .6 cfs capacity in the San Onofre Feeder from SONGS to CAMP PEN.

If no new water service agreements are reached, notwithstanding any provision in the existing agreements described above regarding TRI-CITIES' jurisdiction or existence, all burdens and benefits of TRI-CITIES under the existing agreements shall become the duties and obligations of SCWD.

11. Water Delivery Systems

A. Transfer of Joint Transmission Main and Water Importation Pipeline

(1) Joint Transmission Main Capacity

Notwithstanding Terms and Conditions Nos. 6, 7, 9, 10, and 12, capacity in the Joint Transmission Main shall continue to be allocated among the existing parties to the Joint Transmission Main Operation and Maintenance Agreement, El Toro Water District, Irvine Ranch Water District, Capistrano Valley Water District, and Moulton-Niguel Water District (the "JTM Owners") in accordance with their existing capacity interests; provided, however, that the capacity in the Joint Transmission Main held by TRI-CITIES for the benefit of the CITY and SCWD shall be transferred to the CITY and SCWD as contract operator in proportion to their historical use or other percentages as agreed between the CITY and SCWD. The capacity in the Joint Transmission Main held by TRI-CITIES for the benefit of SONGS, STATE BEACH, and CAMP PEN shall be transferred to SCWD to be utilized for the benefit of SONGS, STATE BEACH, and CAMP PEN under water service agreements with those agencies and under an agreement with SDCWA.

(2) Joint Transmission Main Assets: Equipment, Supplies and Materials

Notwithstanding Term and Conditions Nos. 6, 7, 9, 10, and 12, prior to the effective date of this Reorganization, the JTM Owners shall enter into an agreement, whereby, title to all Joint Transmission Main structures, easements, property, equipment, vehicles, tools, supplies, pipeline materials, office equipment, furniture, computers, and all other inventory required for the continued operation, maintenance, and administration of the Joint Transmission Main shall be transferred or assigned to SCWD as contract operator.

(3) Water Importation Pipeline

Notwithstanding Terms and Conditions Nos. 6, 7, 9, 10, and 12, capacity in the Water Importation Pipeline shall be transferred to and allocated between the CITY and SCWD as contract operator in proportion to their historical use or other percentages as agreed between the CITY and SCWD.

(4) Schlegel Reservoir

Notwithstanding Terms and Conditions Nos. 6, 7, 9, 10, and 12, the CITY and SONGS shall enter into an agreement, whereby, title to the Schlegel Reservoir shall be transferred to the CITY, subject to each and every right reserved to SONGS under the "Water Service and Reservoir Construction Agreement", dated December 7, 1983, between TRI-CITIES and SONGS.

(5) Default Transfer

If any of the agreements contemplated in this Term and Condition No. 11 are not executed by the effective date, capacity and title in these water delivery assets shall automatically be assigned and transferred to SCWD as contract operator, with the exception of Schlegel Reservoir, which shall be assigned and transferred to the CITY to operate for the benefit of the former TRI-CITIES system.

B. Transfer of Local Transmission Main

Notwithstanding Terms and Conditions Nos. 6, 7, 9, 10 and 12, prior to the effective date of this Reorganization, any rights, duties, and obligations under the Local Transmission Main agreement shall be fully transferred or assigned to the other owners of such facilities upon mutually agreeable terms.

C. Transfer of San Onofre Feeder

Notwithstanding Terms and Conditions Nos. 6, 7, 9, 10 and 12, prior to the effective date of this Reorganization, ownership of the San Onofre Feeder, as depicted on the LAFCO map attached hereto as Exhibit "B", shall be transferred from TRI-CITIES to SDCWA, shall be leased to SCWD as contract operator pursuant to the lease attached hereto as Exhibit "A", and shall be maintained and operated by SCWD pursuant to Term and Condition No. 10.

D. Transfer of Operation and Maintenance

(1) SCWD

SCWD shall operate the Joint Transmission Main, the Water Importation Pipeline, the Local Transmission Main, and the San Onofre Feeder under the terms of Operation and Maintenance Agreements with the owners of each facility following the Reorganization. Such Operation and Maintenance Agreements shall be entered into by all parties prior to the effective date of this Reorganization.

If the parties have not entered into Operation and Maintenance Agreements by the effective date, all responsibilities of TRI-CITIES under the existing agreement(s) shall automatically be assigned to SCWD.

(2) CITY

The CITY shall operate the Schlegel Reservoir under the terms of an Operation and Maintenance Agreement with SCWD and SONGS.

If the parties have not entered into an Operation and Maintenance Agreement by the effective date, all responsibilities of TRI-CITIES for operating and maintaining the Schlegel Reservoir shall automatically be assigned to the CITY, subject to each and every right reserved to SONGS under the "Water Service and Reservoir Construction Agreement", dated December 7, 1983, between TRI-CITIES and SONGS.

12. Other Agreements for Emergency Interconnections, Other Connections, and Reservoirs

The existing rights of all parties to agreements with TRI-CITIES for emergency interconnections, other connections, reservoir storage, and similar matters, shall remain unchanged, unless specifically amended or assigned by the parties. If, prior to the effective date of this Reorganization, the existing agreements have not been amended or assigned by the parties, the agreements shall automatically be assigned to SCWD.

13. Billing and Collection of Fees

Upon the effective date of this Reorganization, all TRI-CITIES' billings for the sale of wholesale water shall be performed by CMWD.

Upon the effective date of this Reorganization, all TRI-CITIES' billings for operations and maintenance expenditures of any of the facilities related to the water delivery systems shall be performed by SCWD as the contract operator for the owners of the facilities.

14. Segregation of Funds and Assets

SCWD shall provide evidence to the satisfaction of LAFCO that separate account(s) for funds held by the SCWD transferred from TRI-CITIES have been established and are maintained for the restricted purpose of use in performing the contracts formerly performed by TRI-CITIES. Assets of TRI-CITIES transferred to the other owners or to SCWD as a contract operator shall be similarly accounted for separately. Funds held in trust by SCWD for a prescribed purpose shall be used only for that prescribed purpose. All delinquent fees, charges, and any other collections or assets, that would have accrued to TRI-CITIES shall accrue and be transferred to SCWD accordingly; provided, however, that any delinquent fees or charges for wholesale water service shall accrue and be transferred to CMWD.

15. Transfer of Employees

To the extent possible, the employees of TRI-CITIES will become employees of SCWD, the contract operator agency of TRI-CITIES' operational facilities, or employees of such other agency as may be determined by SCWD, performing essentially the same services after the effective date of this Reorganization as were performed prior to the effective date, and requiring no interruption in the performance of service responsibility. The employees shall be offered full-time employment in accordance with the existing compensation and benefits of SCWD employees of the same or nearly same job classification. TRI-CITIES' funds that are transferred to SCWD shall be used to compensate the employees for all payments for vested vacation, sick leave, and any other personal leave time remaining on the books before they become employees of the SCWD, in accordance with the adopted TRI-CITIES' policies. CMWD shall have no obligation or duty to provide employment to the employees of TRI-CITIES. Continuing obligations of TRI-CITIES to provide health benefits to retired employees and directors of TRI-CITIES not fulfilled by TRI-CITIES prior to the effective date shall be treated as a cost of administration/operation of the Joint Transmission Main,

Water Importation Pipeline, Local Transmission Main, and San Onofre Feeder and shall be apportioned among the participating agencies by SCWD in accordance with the apportionment of other costs under the operating agreements for said pipeline facilities.

16. Transfer of Local Roll Property Tax Revenue

Procedures required pursuant to California Revenue and Taxation Code Section 99 have been initiated by LAFCO and completed by the affected agencies.

All available ad valorem-based property tax revenue levied and collected from properties located in Orange County, previously payable to TRI-CITIES, have been the subject of negotiations initiated by LAFCO and completed by affected agencies, in accordance with Revenue and Taxation Code Section 99. Pursuant to those negotiations, and Orange County Board of Supervisors Resolution No. 99-463, all of said ad valorem-based property tax revenues shall be transferred to SCWD, which shall account for said funds separately, as defined and required by Condition No. 14 above.

All available ad valorem-based property tax revenues, other than unitary and operating non-unitary property tax revenue, levied and collected from properties within San Diego County, previously payable to TRI-CITIES, have been subject to negotiations initiated by LAFCO and completed by the affected agencies, in accordance with Revenue and Taxation Code Section 99. Pursuant to those negotiations and San Diego County Board of Supervisors Resolution No. 99-361, all of said ad valorem-based property tax revenues shall be transferred to the County of San Diego.

Property tax revenues levied on behalf of, and collected by, SDCWA to pay for voter-approved long-term debt of SDCWA, shall remain unchanged and not affected by the approval of this Reorganization, and shall continue to be payable to SDCWA.

17. Transfer of State Roll Unitary/Operating Non-Unitary Tax Revenue

Property tax revenues attributable to unitary and operating non-unitary property taxes for property owned by Southern California Edison Company at its SONGS, have been allocated by the State of California Board of Equalization, which has, since Fiscal Year 1988-89, allocated said revenues to local entities on the basis of the statutory formula set forth in California Revenue and Taxation Code Section 98.9 (as amended, now codified as Section 100). Said revenues are not subject to negotiation pursuant to California Revenue and Taxation Code Section 99, and LAFCO, by approval of this Reorganization, does not impose conditions or attempt to determine or specify the allocation of said revenue by and among any taxing entities who have received, or are entitled to receive, said revenues. The rights to the allocated property tax revenues attributable to the Southern California Edison/SONGS property, previously paid to TRI-CITIES, to the extent allocable as an asset pursuant to

Government Code Section 56844, will be among the assets transferred to SDCWA, the legal successor-in-interest to TRI-CITIES within San Diego County.

18. Governance of the Successor Agency

Upon the effective date, the territory within TRI-CITIES in Orange County (which becomes the consolidated territory of the successor agency to be known as Coastal Municipal Water District as provided in Term and Condition No. 2 above) shall be governed by the CMWD Board of Directors as then constituted, with no alteration in divisions or representation. At the general District election in November 2000, a seven-member Board of Directors will be elected to be the governing body of the consolidated CMWD/MWDOC agency, to take office at the first meeting in January 2001. Thereafter, the consolidated CMWD/MWDOC/TRI-CITIES agency will be designated as the Municipal Water District of Orange County.

WHOLESALE WATER SERVICE AGREEMENT AND LEASE OF THE SAN ONOFRE FEEDER

This Water Service Agreement (hereinafter "Agreement") is made and entered into, on January __, 2000, to be effective as of the Effective Date, as defined hereinafter, by and between the SOUTH COAST WATER DISTRICT (hereinafter "South Coast"), a water district organized and acting under the authority of the County Water District Act, California Water Code Sections 30000 et seq., and the SAN DIEGO COUNTY WATER AUTHORITY (hereinafter "Authority"), a county water authority organized and acting under the County Water Authority Act of the State of California (Stats. 1943, c. 545, as amended), in view of the following facts:

A. Prior to 1975, Southern California Edison Company, for itself and on behalf of San Diego Gas and Electric Company (hereinafter collectively "Edison"), explored various methods for establishment of a permanent source of fresh potable water to the San Onofre Nuclear Generating Station (hereinafter "SONGS"), located on lands leased from the United States on Marine Corps Base, Camp Pendleton, California, in San Diego County, and conducted extensive negotiations concerning such water supply with various public agencies including the Authority, Tri-Cities Municipal Water District (hereinafter "Tri-Cities"), and the Metropolitan Water District of Southern California (hereinafter "Metropolitan").

B. During those discussions, the related issue of providing a supply of fresh water to the San Onofre State Beach (hereinafter "State Beach"), also on lands leased from the United States on Camp Pendleton in San Diego County, and to the remainder of the Marine Corps Base, Camp Pendleton (hereinafter "Camp Pendleton") were also addressed. As a result, Edison, the Authority, and Tri-Cities executed that certain "Memorandum of Understanding Re Water Supply for San Onofre Beach and Nuclear Generating Station", dated December 11, 1975 (hereinafter "1975 MOU").

C. The 1975 MOU included specific provisions relating to the wholesale delivery of imported Metropolitan water to the State Beach and SONGS. It was agreed, among other provisions, by the parties thereto that the area would be annexed to the Authority, a member agency of Metropolitan, and to Metropolitan, that imported Metropolitan water delivered to the State Beach and SONGS would be charged against the Authority's entitlement to water from Metropolitan, that the Authority would receive such water at the coastal junction of the Orange County Feeder No. 2, known as "Coastal Junction" or "CM-10 Connection" (hereinafter "Coastal Junction"), that Tri-Cities would transfer and deliver up to 5.07 cubic feet per second of water to the Authority from the Coastal Junction through Tri-Cities' facilities to serve the State Beach and SONGS, and that SONGS and the State Beach would be entitled to receive a certain amount of water under a prescribed rate formula. Tri-Cities agreed to construct a pipeline (now known as the "San Onofre Feeder") and a reservoir (now known as the "Schlegel Reservoir") to provide service to the State Beach and SONGS. As consideration for the right of SONGS and the State Beach to receive water through Tri-Cities' facilities, and in consideration of the fact that the Authority did not have to construct new

facilities to serve the State Beach and SONGS, the Authority paid Tri-Cities the sum of $640,000 for costs of constructing the San Onofre Feeder.

D. Camp Pendleton, including SONGS and the State Beach, was annexed into the corporate areas of the Authority and Metropolitan under terms and conditions stated in Metropolitan Resolution No. 7710 of June 14, 1977, and Authority Resolution No. 77-45 of December 8, 1977 (hereinafter "Annexation Resolutions"). For purposes of this Agreement, the areas included within SONGS and the State Beach are as indicated for the Nuclear Generating Plant Area and the San Onofre State Beach and Park Area, respectively, in Authority Resolution No. 77-45, and as generally depicted in Exhibit A, attached hereto and incorporated herein as part of this Agreement.

E. Tri-Cities, Edison, the State of California, and the City of San Clemente (hereinafter "San Clemente") entered into a "Cooperative Agreement to Furnish Water to San Onofre" dated October 6, 1976 (hereinafter the "Four Party Agreement") by which the parties agreed to cooperate with Tri-Cities in the extension of Tri-Cities facilities to serve water to SONGS and the State Beach. San Clemente, which had been providing water to SONGS through temporary facilities, agreed to continue to provide such service until Tri-Cities' extension project was complete, at which time San Clemente agreed to provide the area with a backup water system.

F. Tri-Cities and State of California, acting through the Department of Parks and Recreation, entered into a "Water Service Agreement", dated February 15, 1978, by which Tri-Cities would serve the State Beach. Tri-Cities and Edison entered into a "Water Service and Reservoir Construction Agreement", dated December 7, 1983, which included terms and conditions of water service by Tri-Cities to Edison, and provided for payment by Edison of a portion of the cost of the Schlegel Reservoir in return for rights of water storage in the reservoir.

G. Tri-Cities and the United States of America, acting through the Southwest Division, Naval Facilities Engineering Command, (hereinafter the "United States") entered into an "Interim Water Service Agreement", dated July 13, 1998 (hereinafter the "1998 Agreement"), which provided for water service by Tri-Cities to the San Mateo Point Housing Area (hereinafter "San Mateo Point") of Camp Pendleton, and contemplated annexation of San Mateo Point to Tri-Cities. For purposes of this Agreement, the areas included within San Mateo Point are as indicated in the 1998 Agreement, and as generally depicted in Exhibit B.

H. Edison and the United States have entered into an agreement as of _____, 1999, whereby Edison has transferred a portion of the capacity it is entitled to receive through Tri-Cities facilities and the San Onofre Feeder to the United States for the use of Camp Pendleton.

I. The Orange County Local Agency Formation Commission (hereinafter "LAFCO") is presently considering an application submitted by Tri-Cities (hereinafter the "Tri-Cities Application") for the Consolidation of Tri-Cities with Coastal Municipal Water District (hereinafter "Coastal") and Detachment of Tri-Cities San Diego Territory. Under the Terms and Conditions of Consolidation, the Authority would become the successor agency to Tri-Cities' San Diego County service area and assume ownership of the San Onofre Feeder in San Diego County; however, South Coast would provide operations, maintenance, and repair of the San Onofre Feeder and appurtenant facilities, and would be compensated for those services by contract with the Authority and with the San Diego County customers. Further, the Terms and Conditions of Consolidation provides that capacity currently reserved for customers in the San Diego service area in Tri-Cities' transmission facilities from the Coastal Junction to the San Onofre Feeder (hereinafter the "Joint Transmission Main") be transferred in trust to South Coast for the benefit of those customers.

J. South Coast has agreed to assume responsibility for providing water service to SONGS, the State Beach, and San Mateo Point under substantially the same terms as water service has historically been provided to SONGS and the State Beach by Tri-Cities, or as otherwise provided in agreements between South Coast or Tri-Cities, and those parties. South Coast's obligations with respect to water delivery service and agreements with the Authority, Edison, State of California and United States for such service, are included in the Terms and Conditions of LAFCO Reorganization No. RO99-07, which implements the Tri-Cities Application. The parties recognize that for South Coast to provide such water service, it is necessary for the Authority to lease the San Onofre Feeder to South Coast under terms that will give South Coast operational control and responsibility for the San Onofre Feeder.

K. The parties hereto desire by this Agreement to formally state the terms and conditions under which South Coast will provide continuing water service to SONGS, the State Beach, and Camp Pendleton, through water facilities South Coast owns and operates or holds capacity rights, and through operation of the San Onofre Feeder under lease to South Coast from the Authority. Further, the parties intend that this agreement shall complement additional water service agreements between South Coast and Edison, the State of California, and the United States, for service to SONGS, the State Beach, and San Mateo Point.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANT CONTAINED HEREIN, IT IS AGREED AS FOLLOWS:

1. Authority Entitlement to Receive Water at Coastal Junction. The Authority is entitled to receive up to 5.07 cubic feet per second of water from Metropolitan at the Coastal Junction, under the terms and conditions stated in Metropolitan Annexation Resolution No. 7710 of July 14, 1977. Neither the terms of this Agreement, nor the terms of the water service agreements to be executed between South Coast and Edison, the State of California, and the United States shall alter, amend, or otherwise decrease the authorized allotment of water from Metropolitan to the Authority.

2. Delivery of Water by South Coast. South Coast shall transport and deliver through facilities which it either owns, or in which it has capacity rights, in whole or in part, or which it operates, pursuant to agreements with other owners from the Coastal Junction to the San Onofre Feeder all water which the Authority may be entitled to receive at the Coastal Junction, but such transportation and delivery shall not exceed the maximum amount contracted for by SONGS, State Beach and Camp Pendleton, respectively and collectively, and in no event more than the 5.07 cubic feet per second Metropolitan allotment. The Authority hereby designates South Coast as its agent for ordering and accepting delivery of water from Metropolitan, through Coastal Municipal Water District, or its successor, at Coastal Junction pursuant to this Agreement. Facilities through which water shall be transported by South Coast pursuant to this Section 2 are generally depicted in Exhibit C, attached hereto and incorporated herein as a part of this Agreement.

3. Lease of San Onofre Feeder. South Coast hereby leases from the Authority, and the Authority leases to South Coast, the San Onofre Feeder and appurtenant facilities for the sole purpose of delivery of water pursuant to this Agreement (hereinafter referred to as the "Lease"). South Coast shall maintain, keep in good repair, operate, and replace as needed the San Onofre Feeder, for the purpose of delivering water from its facilities, as provided in Sections 1 and 2, above, through the San Onofre Feeder to SONGS, the State Beach, and San Mateo Point, up to the quantities provided in Section 2 above and Section 5, below. The undertaking of major repairs or replacement of any or all portions of the facility by South Coast is subject to the recovery of the costs thereof as provided in the then current water service agreements between South Coast and Edison, the State of California, and/or the United States. The San Onofre Feeder is generally depicted in Exhibit D, attached hereto and incorporated herein as part of this Agreement. The parties hereto expressly agree that the Schlegel Reservoir is not a portion of the San Onofre Feeder, and that the City of San Clemente will own and operate Schlegel Reservoir and could use the Reservoir to facilitate deliveries through the San Onofre Feeder, subject to Edison's rights in the Schlegel Reservoir, which are described in a separate Agreement between the City of San Clemente and/or South Coast and Edison. The San Onofre Feeder consists of facilities which are entirely within San Diego County.

4. Consideration for Lease by Authority and Water Service by South Coast. Authority leases the San Onofre Feeder to South Coast at no monetary cost. South Coast's consideration for the Lease consists of the covenants into which South Coast has entered under this Agreement. South Coast shall be entitled to compensation from Edison, State Beach and United States for water service in accordance with the terms of water service agreements between South Coast and each of those entities. Additionally, the Authority shall transfer to South Coast any revenues it may receive from the unitary/operating non-unitary tax on SONGS; however, the Authority shall retain any other taxes, fees, charges, or assessments collected by or for the Authority or on behalf of Metropolitan relating to SONGS or any other territory within the Authority service area. The Authority shall have no other obligation whatsoever to compensate South Coast for South Coast's water service under this Agreement, or for any costs associated with such water service, including but not limited to operation, maintenance, repair, and replacement of any facilities necessary to carry out South Coast's water service

obligations. Additionally, South Coast shall assume and pay any and all obligations the Authority may have for payment of debt incurred by Tri-Cities related to the construction, repair, operation, maintenance, and/or replacement of any and all facilities that may be utilized to deliver or store water under this Agreement.

5. Authority's Entitlement. Water received at the Coastal Junction and delivered to SONGS, the State Beach, and San Mateo Point, pursuant to the then current water service agreements between South Coast and Edison, the State of California, and the United States, up to the amount of 5.07 cubic feet per second, shall be charged against the Authority's entitlement to water from Metropolitan, as described in Recital C above, and shall not affect the entitlement of any other member agency of Metropolitan.

6. Allocations to SONGS, the State Beach, and San Mateo Point. Of the Metropolitan water allocation which the Authority is entitled to receive at the Coastal Junction, and which South Coast shall transport and deliver as provided herein, SONGS', State Beach' and San Mateo Point's proportionate share entitlement of Authority's allocation shall not exceed the amounts set forth in the Annexation Resolution.

7. Water Charges. South Coast shall abide by all rules and regulations of the Authority pertaining to the provision of wholesale water service and shall timely pay for such wholesale water service in accordance with the rates, fees, and charges established from time to time by the Authority Board of Directors. The agencies owning SONGS, the State Beach, and San Mateo Point shall submit payment for water service to South Coast in accordance with the then current water service agreements between each agency and South Coast. Payment for water service to SONGS, the State Beach, and San Mateo Point shall be made directly to South Coast by those parties, and South Coast shall remit to the Authority such rates, fees, and/or charges as are payable to the Authority.

8. Upkeep and Operation of San Onofre Feeder. South Coast shall, as lessee, take possession of the San Onofre Feeder in its condition at the time of initiation of the lease, and at its cost shall operate, maintain, repair, and, as needed, replace that facility so as to keep the facility in good repair and provide efficient service to SONGS, the State Beach, and San Mateo Point. The undertaking of major repairs or replacement of any or all portions of the facility by South Coast is subject to the recovery of the costs thereof, as provided in the then current water service agreements between South Coast, Edison, the State of California, and the United States. The Authority shall not be responsible for the condition of the San Onofre Feeder, or for any costs associated with the operation, maintenance, repair, replacement, or improvements to it.

9 Use and Control of Facilities; Indemnification of Authority. South Coast shall own, lease, maintain capacity, or otherwise have sufficient rights of use in all facilities necessary to bring the amount of Metropolitan imported water as identified in this Agreement from the Coastal Junction to SONGS, the State Beach, and San Mateo Point. The parties intend that all Authority water delivered at Coastal Junction shall be delivered through the Joint Transmission Main, or alternatively through the Water Importation Pipeline, the Local Transmission Main, and then through the San Onofre Feeder. Any additional pipelines, structures, connections, or other facilities required for such delivery shall be provided by South Coast without cost to the Authority, and the Authority shall be under no obligation to provide construct, operate, maintain, or replace any such facilities. All improvements and repairs made to the San Onofre Feeder, and any reconstruction or replacement of the San Onofre Feeder, shall be considered a part of the San Onofre Feeder, and as such shall be the property of the Authority subject to the Lease of the San Onofre Feeder to South Coast contained herein. To the extent that South Coast shall have control over the operations, maintenance, and repair of the Joint Transmission Main, the Local Transmission Main, the San Onofre Feeder, and other necessary facilities, South Coast agrees to save harmless and indemnify the Authority from and against all liability or claims of liability that may arise out of said operation, maintenance, repair, and replacement of such facilities.

10. Obligation to Repair, Reconstruct, and/or Replace Facilities. In the event of total or partial destruction, damage, or deterioration of the facilities identified in Section 9, above, from any cause, South Coast shall, at its own cost and expense, take action, within a reasonable time as determined by the circumstances, to repair, reconstruct, and/or replace such facilities and to put such facilities back into operation. The undertaking of major repairs or replacement of any or all portions of the facilities by South Coast is subject to the recovery of the costs as provided in the then current Water Service Agreements between South Coast, Edison, State of California, or United States.

11. Effective Date and Term. This Agreement shall take effect one day before the effective date of LAFCO Reorganization No. RO99-07 (hereinafter the "Effective Date"). In the event LAFCO Reorganization No. RO99-07 is not completed on or before December 31, 2000, this Agreement shall be deemed null and void. The term of this Agreement and for the Lease created hereunder shall be for fifty (50) years from the Effective Date unless earlier terminated, modified, or amended by mutual agreement of the parties. Either the Authority or South Coast shall have the unilateral option to extend this Agreement and Lease term for a period of an additional fifty (50) years following completion of the initial Agreement and Lease term. The option to extend the term shall be exercised by providing written notice of such option to the other party at least five years prior to the expiration of the initial fifty year term.

12. Continuing Application of the Annexation Resolutions. This Agreement shall in no way affect the provisions or the continuing application of the terms and conditions of the Annexation Resolutions, except that the parties hereto agree that South Coast, by virtue of the provisions of the LAFCO approval of the Tri-Cities Application and the provisions of this Agreement, shall be considered for purposes of this Agreement as successor to Tri-Cities' water delivery obligations under the Annexation Resolutions.

13. South Coast Warranty. South Coast warrants that it has the authority and is empowered under applicable law and regulation to provide water service to SONGS, the State Beach, and San Mateo Point as described in this Agreement.

14. Entire Agreement. This instrument is a final, complete, and exclusive statement of the terms of the Agreement between the Parties, and supercedes any prior agreements, written or oral, between the Authority and Tri-Cities, or between the Authority and South Coast, regarding the subject matter of this Agreement.

15. Future Amendments. The parties hereto, by mutual agreement, may amend or modify this Agreement; provided, however, that any such amendment or modification must be in writing and approved with the same formality as this Agreement.

16. Assignment. Neither party may assign its duties and obligations under this Agreement without the express written consent of the other, which consent shall not be unreasonably withheld. This Section 16, however, shall not impair South Coast's right and ability to contract with third parties to perform on behalf of South Coast, any or all of South Coast's ministerial or routine functions or duties under this Agreement.

17. Successors and Assigns. The provisions of this Agreement shall inure to and be for the benefit of the parties hereto, and their respective successors, assigns, and all other parties acquiring all or any interest herein, either by operation of law or in any manner whatsoever. If either party or any successor-in-interest reorganizes or otherwise disposes of facilities needed to meet its obligations under this Agreement, that party shall make assignment of this Agreement to the successor-in-interest a condition of such reorganization or sale.

18. Venue and Litigation Costs. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in the Superior Court, County of San Diego, or a

federal court situated in the County of San Diego, State of California. In the event of any such litigation between the parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorneys' fees, as determined by the court.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

SOUTH COAST WATER DISTRICT

Date: _____ By: Richard J. Runge
President

ATTEST:

_____
Secretary

APPROVED AS TO FORM:

_____

SAN DIEGO COUNTY WATER AUTHORITY

Date: _____ By: _____

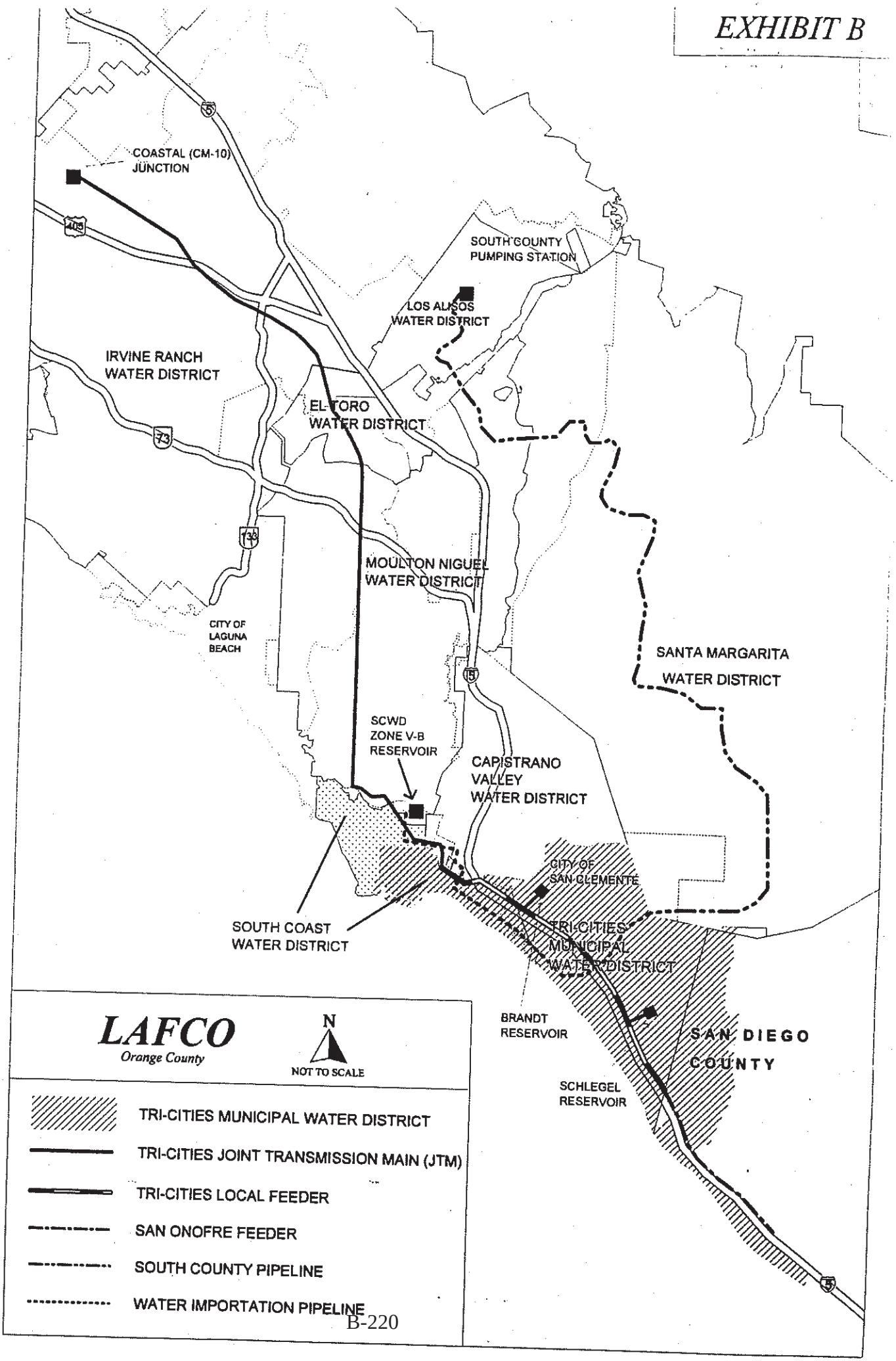
ATTEST:

_____

APPROVED AS TO FORM:

_____

EXHIBIT B


COASTAL (CM-10) JUNCTION
SOUTH COUNTY PUMPING STATION
LOS ALISOS WATER DISTRICT
IRVINE RANCH WATER DISTRICT
EL TORO WATER DISTRICT
MOULTON NIGUEL WATER DISTRICT
CITY OF LAGUNA BEACH
SANTA MARGARITA WATER DISTRICT
SCWD ZONE V-B RESERVOIR
CAPISTRANO VALLEY WATER DISTRICT
CITY OF SAN CLEMENTE
SOUTH COAST WATER DISTRICT
TRI-CITIES MUNICIPAL WATER DISTRICT
BRANDT RESERVOIR
SAN DIEGO COUNTY
SCHLEGEL RESERVOIR
LAFCO
Orange County
N
NOT TO SCALE
TRI-CITIES MUNICIPAL WATER DISTRICT
TRI-CITIES JOINT TRANSMISSION MAIN (JTM)
TRI-CITIES LOCAL FEEDER
SAN ONOFRE FEEDER
SOUTH COUNTY PIPELINE
WATER IMPORTATION PIPELINE

Attachment "B"

Statement of Determinations for a Zero Sphere of Influence Designation for Tri-Cities Municipal Water District

1. The present and planned land uses in the area, including agricultural and open space lands.

   Adoption of a zero sphere of influence for the Tri-Cities Municipal Water District ("Tri-Cities") would not affect present and planned uses in the area. Decisions concerning land use, including preservation/conversion of agricultural and open space lands, will continue to be the responsibility of the City of San Clemente, and the City of Dana Point, Orange and San Diego Counties, as well and the State and Federal governments.

2. The present and probable need for public facilities and services in the area.

   Under the terms and conditions, and agreements referenced and required thereunder, South Coast Water District ("SCWD") will assume Tri-Cities' functions as they relate to water service to the affected agencies, Southern California Edison San Onofre Nuclear Generating Stations ("SONGS"), the State of California (San Onofre State Park) ("State Beach"), and the United States Department of Navy ("Camp Pendleton"). SCWD, as contract operator, anticipates operating by agreement all of the current and proposed facilities of the Tri-Cities MWD, except the Joint Transmission Main, which shall be operated as determined by its owners. The reorganization provides the opportunity for the affected agencies to update and simplify prior agreements for facilities and services to account for long term operation and maintenance and allocation of capacity in existing pipelines. The proposal provides a long-term service responsibility to Navy housing at San Mateo Point.

3. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

   Tri-Cities (and, as successors, Coastal and the San Diego County Water Authority) has sufficient capacity in the Joint Transmission Line, Pico Pipeline, local feeders, reservoirs, and other facilities, including but not limited to those facilities described in Terms and Conditions Nos. 10 and 11, to fulfill its service obligations. SCWD, as contract operator to the consolidated agency and the San Diego County Water Authority, anticipates operating by agreement all of the current and proposed facilities of tri-Cities, except the joint transmission main, which operation is and will continue to be governed by agreement among its owners.

4. The existence of any social or economic communities of interest in the area if the

Commission determines that they are relevant to the agency.

The boundaries of Coastal and the San Diego County Water Authority overlap tri-Cities. The successor agencies, through the contract operator, will continue service to the same communities as Tri-Cities (except as provided for in joint powers or other agreements.)