



WEST VALLEY WATER DISTRICT
855 W. Base Line Road, Rialto, CA 92376
PH: (909) 875-1804 FAX: (909) 875-1849

**ENGINEERING, OPERATIONS AND PLANNING COMMITTEE MEETING
AGENDA**

TUESDAY, FEBRUARY 21, 2023 - 6:00 PM

NOTICE IS HEREBY GIVEN that West Valley Water District has called a meeting of the Engineering, Operations and Planning Committee to meet in the Administrative Conference Room, 855 W. Base Line Road, Rialto, CA 92376.

On March 4, 2020, Governor Newsom declared a State of Emergency resulting from the threat of COVID-19. On September 16, 2021, Governor Newsom signed Assembly Bill No. 361 into law. Assembly Bill No. 361 amends Government Code section 54953(e) by adding provisions for remote teleconferencing participation in meetings by members of a legislative body, without the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions. The West Valley Water District adopted a resolution determining, by majority vote, that, as a result of the declared State of Emergency, the District is adopting the State protocol which allows meetings in person and/or via teleconference. Accordingly, it has been determined that all Board and Workshop meetings of the West Valley Water District will be held pursuant to Assembly Bill No. 361, the Brown Act and will be conducted via teleconference and in person. Members of the public may listen and provide public comment via telephone by calling the following number and access code: Dial: (888) 475-4499, Access Code: 840-293-7790 or you may join the meeting using Zoom by clicking this link: <https://us02web.zoom.us/j/8402937790>. Public comment may also be submitted via email to administration@wvwd.org. If you require additional assistance, please contact administration@wvwd.org.

BOARD OF DIRECTORS

President Greg Young, Chair
Director Angela Garcia

1. CALL TO ORDER

2. PUBLIC PARTICIPATION

The public may address the Board on matters within its jurisdiction. Speakers are requested to keep their comments to no more than three (3) minutes. However, the Board of Directors is prohibited by State Law to take action on items not included on the printed agenda.

3. DISCUSSION ITEMS

- a. Updates to Engineering, Operations and Planning Committee
- b. Post-Water Main Break Street Repairs.
- c. Approval of the First Amendment of the Rockets, Fireworks and Flares Superfund Site Agreement between Goodrich Corporation and West Valley Water District.

4. ADJOURN

DECLARATION OF POSTING:

I declare under penalty of perjury, that I am employed by the West Valley Water District and posted the foregoing Engineering, Operations and Planning Committee Agenda at the District Offices on February 16, 2023.

Elvia Dominguez

Elvia Dominguez, Board Secretary



**BOARD OF DIRECTORS
ENGINEERING, OPERATIONS AND PLANNING COMMITTEE
STAFF REPORT**

DATE: February 21, 2023
TO: Engineering, Operations and Planning Committee
FROM: Van Jew, Acting General Manager
SUBJECT: POST-WATER MAIN BREAK STREET REPAIRS

BACKGROUND:

On January 21, 2023, a main break of an 8” polyvinyl chloride (PVC) waterline occurred at 2393 W. Loma Vista Drive in the City of Rialto. This led to a substantial amount of water loss that resulted in major damage to the street. The waterline has been repaired and temporary asphalt has been installed by West Valley Water District (District) staff; however, a section of 4,389 square feet of the street will need to be repaired and paved to the City of Rialto standards. Photographs of the damages are attached as **Exhibit A**.

The scope of work consists of removing 4,389 square feet of existing and temporary asphalt 10 inches deep, installing 6 inches of aggregate base and 2.5 inches of asphalt, performing soil compaction testing, capping with 1.5 inches of thick asphalt, and providing traffic control.

DISCUSSION:

On February 18, 2021, a Request for Proposal (“RFP”) was issued and publicly advertised on PlanetBids to secure a maintenance contract with a qualified, experienced street paving contractor to provide permanent trench paving, on an on-call, as-needed basis. Four (4) firms – Mike Roquet Construction Inc., Hardy & Harper, Inc., GM Sager Construction and Onyx Paving Company. – submitted proposals. Based on qualifications and experience, capability, references, compliance, and costs, the Board of Directors awarded a contract to Mike Roquet Constructions Inc. on May 19, 2022. Mike Roquet Construction Inc.’s submitted a quote in the amount of \$69,304.20 to perform street repairs on Loma Vista Drive damaged by the main break. Attached as **Exhibit B** is the quote.

FISCAL IMPACT:

This item is included in the Fiscal Year 2022/23 Operating Budget and will be funded from project number GL100-5410-540-5612 titled “Repair & Maintenance/Street Patching”.

STAFF RECOMMENDATION:

Staff recommends that the Committee forward a recommendation to the Board of Directors to

issue a purchase order in the amount of \$69,304.20 to Mike Roquet Construction Inc. for post-water main break street repairs.

Respectfully Submitted,

Van Jew

Van Jew, Acting General Manager

VJ:jc

ATTACHMENT(S):

1. Exhibit A - Photos
2. Exhibit B - Quote

EXHIBIT A



EXHIBIT B



P.O. Box 539
Highland, CA 92346
(951) 533-3797
Lic #1007568

PROPOSAL

To:
West Valley Water District
855 W. Baseline Rd.
Rialto, CA 92376
(909) 875-1804

Page 1 of 1 January 25, 2023

JOB LOCATION: 2393 W. LOMA VISTA DRIVE, RIALTO

We hereby submit specifications and estimates for:

Item *total*

STREET REPAIR:

First move-in:

1. Remove existing asphalt and subbase material to a depth of 10" below the finished surface elevation at one area totaling 4,389 sq. ft.
2. Haul away asphalt and subbase material to a legal disposal site.
3. Compact 4,389 sq. ft. of subgrade area by rolling with a vibratory roller.
4. Install 6" thick class II (crushed misc. base) on 4,389 sq. ft.
5. Fine-grade and compact 4,389 sq. ft. of class II base.
6. Base-pave 4,389 sq. ft. with 2.5" of asphalt (3/4" mix for strength).
7. Furnish and provide a geotechnical engineer for compaction testing on subgrade, class II base material, asphalt base course, and final asphalt cap.

Second move-in (1 – 2 weeks later):

8. Header grind and feather where new asphalt joins existing; then clean, tack, and cap 4,389 sq. ft. with 1.5" thick asphalt (1/2" mix).

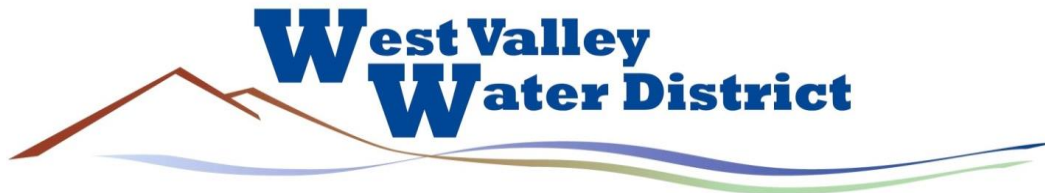
	(items 1 – 8)	\$ 63,769.20
9. Provide and set up traffic devices for street closure.	Lump sum:	\$ 3,000.00
10. Furnish 100% Performance bond & payment bond	Lump sum:	<u>\$ 2,535.00</u>
	Grand total:	\$69,304.20

GENERAL CONDITIONS:

- Three (3) equipment moves are included. Street to remain closed during construction.
- Price includes prevailing wages.
- EXCLUSIONS: permits, fees, engineering, water costs, seal coats, damage to buried objects not visible from the surface, over-excavation of subgrade for any reason, relocating utilities, disconnecting or handling utilities.
- Any attorney fees, costs, or other expenses which may be incurred in the collection of monies as may become due under this contract or enforcement of the terms of this contract will be paid for by the customer.
- Unless otherwise provided herein, this contract shall be due and payable at Mike Roquet Construction Inc., P.O. Box 539, Highland, CA 92346 within 10 days from date of invoice.

AMOUNT: Sixty-nine thousand, three hundred and four dollars and twenty cents (\$69,304.20)

Mike Roquet President
President
Mike Roquet Construction Inc.



**BOARD OF DIRECTORS
ENGINEERING, OPERATIONS AND PLANNING COMMITTEE
STAFF REPORT**

DATE: February 21, 2023
TO: Engineering, Operations and Planning Committee
FROM: Van Jew, Acting General Manager
SUBJECT: APPROVAL OF THE FIRST AMENDMENT OF THE ROCKETS,
 FIREWORKS AND FLARES SUPERFUND SITE AGREEMENT
 BETWEEN GOODRICH CORPORATION AND WEST VALLEY WATER
 DISTRICT

BACKGROUND:

An agreement between the West Valley Water District (District) and the Goodrich Corporation (Goodrich) was executed on January 1, 2014, for Rockets, Fireworks and Flares Superfund (RFF) Site Remediation. Subject to the terms of this agreement, the District and Goodrich facilitate the Wellhead Treatment Project to clean up the perchlorate plume, provide a mechanism for Goodrich to meet its future remedial design/remedial obligations in accordance with the Record of Decision (ROD), provide for payments by Goodrich to the District, provide payments by Goodrich to the District for certain costs of constructing, and operating and maintaining the District's ion exchange systems and any additional treatment systems that Goodrich elects to utilize. See **Exhibit A** - RFF Site Agreement.

The District owns treatment systems that are designed to remove contaminants from extracted groundwater such that treated water meets applicable standards. One such system is a fluidized bed reactor system (FBR) and six ion exchange treatment systems, one of which is located at the District headquarters, and one of which is located at the Rialto High School. The FBR is part of the Wellhead Treatment Project that was constructed using a combination of grant funding from sources including the United States Department of Defense, California Department of Public Health (CDPH), State Water Resources Control Board and Department of Water Resources, and various other funding. Pursuant to certain grant conditions under the CDPH Grant Agreement, the District is required to operate the FBR for a period of 20 years, unless approval is granted by CDPH to terminate such operation earlier.

The FBR treats perchlorate contaminated water from City of Rialto Well No. 6 and District Well No. 11. Both of these wells are centrally located within the perchlorate plume within the Rialto-Colton (RC) groundwater basin. The District holds certain, limited water extraction rights within the RC groundwater basin.

DISCUSSION:

On September 2, 2022, the United States Environmental Protection Agency (EPA) issued an ROD establishing the final remedy for mid-basin operable unit of the RFF site. The groundwater contamination targeted for cleanup by the ROD is approximately 4 miles long, up to 1 mile wide, and ranges from about 250 to 800 feet below ground within the RC groundwater basin. In recognition of the remedy to be reflected in the ROD, Goodrich, as part of its groundwater cleanup obligations has exercised its option, in accordance with the RFF Site Agreement, to conduct additional activities and negotiated the First Amendment of the RFF Site Agreement with the District to implement additional activities in accordance with the ROD. See **Exhibit B** – Draft First Amendment of the RFF Site Agreement.

The purpose of the Amendment would allow both the District and Goodrich to meet the following objectives:

- Obtain any necessary approvals to discontinue use of the FBR system in a manner that does not impose financial penalties (e.g. grant repayment requirements) and reimburse the District for all reasonable project costs associated with the preparation of any necessary submissions.
- Utilize the District’s ion exchange systems at the District headquarters and Rialto high school. Minimize any disruption to the District’s operations during the transition from the FBR to the ion exchange systems.
- Employing use of one or more of the San Bernardino County Flood Control District’s basins for discharges, i.e., Cactus Basin, Randall Basin and Mill Basin.
- The operating and maintenance costs associated with any additional activities shall now also include pumping costs whenever such pumping is not for potable use.

District staff believe that the FBR system has served its intended purpose and is no longer the right treatment technology to treat source water. For these reasons, the State Water Resources Control Board’s Division of Drinking Water (DDW) and the EPA have expressed their support for decommission the FBR system. See **Exhibit C** – Statements of support from DDW and EPA.

By approving the Amendment, the District agrees to discontinue use of the FBR system in a manner that does not impose financial penalties. In the event that the District is unsuccessful in obtaining the unconditional approval to discontinue use of the FBR system, the provisions of the Amendment shall be null and void except for certain Goodrich’s reimbursement obligations.

FISCAL IMPACT:

There is no fiscal impact to the District.

STAFF RECOMMENDATION:

Staff recommends that the Committee forward a recommendation to the Board of Directors to approve the First Amendment of the Rockets, Fireworks and Flares Superfund Site Agreement.

Respectfully Submitted,

Van Jew

Van Jew, Acting General Manager

VJ:jc

ATTACHMENT(S):

1. Exhibit A - RFF Site Agreement
2. Exhibit B - Draft First Amendment of the RFF Site Agreement
3. Exhibit C - Statements of Support from DDW and EPA

EXHIBIT A

EXECUTION VERSION (JANUARY 2017)

**ROCKETS, FIREWORKS AND FLARES SUPERFUND
SITE REMEDIATION AGREEMENT
BETWEEN
GOODRICH CORPORATION AND WEST VALLEY WATER DISTRICT**

THIS ROCKETS, FIREWORKS AND FLARES SUPERFUND SITE REMEDIATION AGREEMENT (the "Agreement") is effective as of January 1, 2014 ("Effective Date") by and between GOODRICH CORPORATION, a Delaware corporation with a place of business at 2730 West Tyvola Road, Charlotte, North Carolina 28208 ("Goodrich"), and the WEST VALLEY WATER DISTRICT, a California public water district, with a place of business at 855 Baseline Road, Rialto, California ("WVWD") (Goodrich and WVWD each individually referred to as a "Party", and collectively referred to as the "Parties").

RECITALS

- A. Goodrich is party to an "Administrative Settlement Agreement and Order on Consent for Performance of a Remedial Investigation and Feasibility Study" effective as of February 26, 2013 (see definition of "ASAOC") and a Consent Decree entered on July 2, 2013 (the "Goodrich Consent Decree") pertaining to the Rockets, Fireworks and Flares Superfund Site (see definition of "RFF Site").
- B. Pursuant to the ASAOC and Goodrich Consent Decree, Goodrich, among other things, is required to conduct a Remedial Investigation/Feasibility Study (see definition of "RI/FS") and Remedial Design/Remedial Action (see definition of "RD/RA") for Operable Unit 2 (see definition of "OU2") of the RFF Site. OU2 is affected by Basin Contaminants (see definition of "Basin Contaminants") from the RFF Site in groundwater downgradient of the "Target Area" (as defined in the Goodrich Consent Decree) that is the subject of a 2010 Record of Decision (see definition of "2010 ROD") for the RFF Site. The remedy for OU2 will be defined in an OU2 Record of Decision (see definition of "OU2 ROD") to be issued by United States Environmental Protection Agency (see definition of "US EPA") for the RFF Site. The OU2 area lies within the Rialto-Colton Groundwater Basin (see definition of "Basin").
- C. Based on RI/FS activities to date, Goodrich and US EPA believe that a portion of the Basin Contaminants detected in the OU2 area originated from the RFF Site. Goodrich and US EPA therefore agree that pending issuance by USEPA of the OU2 ROD, removing Basin Contaminant mass, in particular perchlorate, from OU2 area groundwater will achieve benefits in terms of improving groundwater quality in the OU2 area.
- D. Pursuant to the 1961 Decree (see definition of "1961 Decree"), WVWD holds certain, limited water extraction rights (see definition of "Available Water Rights") within the Basin, and has the right to exercise these rights by extracting groundwater from various locations within such Basin. Such extraction points currently include but are not limited to Well 6 and Well 11 (see definitions of "Well 6" and "Well 11") that are located in the OU2 area. Perchlorate is present in varying concentrations in groundwater extracted by both Well 6 and Well 11.

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- E. **WVWD owns a number of treatment systems that are designed to remove Contaminants from extracted groundwater such that treated water meets Applicable Standards (see definition of "Applicable Standards"). One such system is a new fluidized bed reactor system (see definition of "FBR System") located at WVWD's headquarters. WVWD also owns four ion exchange treatment systems, one of which is located at the WVWD headquarters (855 Baseline Road, Rialto, California), and three of which are located at the Rialto High School (595 S. Eucalyptus Avenue, Rialto, California) (see definition of "WVWD IX Systems"). The FBR System is part of the Wellhead Treatment Project (see definition of "Wellhead Treatment Project") that was constructed using a combination of grant funding from sources including the United States Department of Defense, California Department of Public Health (see definition of "CDPH"), State Water Resources Control Board (see definition of "State Board") and California Department of Water Resources (see definition of "CDWR"), and various other funding. Pursuant to certain grant conditions under the CDPH Grant Agreement (see definition of "CDPH Grant Agreement"), WVWD is required to operate the FBR System for a period of 20 years with no minimum flow requirements, unless approval is granted by CDPH (now succeeded by the California Environmental Protection Agency, State Water Resources Control Board, Division of Drinking Water, see definition of "DDW") to terminate such operation earlier. WVWD has leased Well 6 from the City of Rialto to provide source groundwater for treatment by the FBR System (see definition of "Rialto Lease Agreement").**
- F. **As of approximately January 1, 2014, WVWD began operating the Wellhead Treatment Project to extract groundwater from Well 6 and Well 11 and treat such groundwater using the FBR System. Treated groundwater from the Wellhead Treatment Project was discharged to the Cactus Basins located adjacent to the WVWD headquarters until the DDW approved use of treated water for potable use. Beginning in approximately January, 2014, WVWD began a CDPH Demonstration Period (see definition of "CDPH Demonstration Period") that lead to full permitting of the Wellhead Treatment Project in 2016. Now that the Wellhead Treatment Project is fully permitted by DDW, treated water used by WVWD as part of its potable water supply for its customer base. Accordingly, the Wellhead Treatment Project is removing Basin Contaminant mass from groundwater in the OU2 area for the period prior to the issuance by US EPA of the OU2 ROD, to the benefit of WVWD, US EPA, the Settling Federal Agencies, and Goodrich.**
- G. **The Parties are entering into this Agreement in order to (i) facilitate the Wellhead Treatment Project to remove Basin Contaminant mass from the OU2 area, (ii) provide a mechanism for Goodrich to meet its future Remedial Design/Remedial Action or "RD/RA" (see definition of "RD/RA") obligations under the Goodrich Consent Decree in accordance with the OU2 ROD, (iii) provide for payments by Goodrich to WVWD, as provided in this Agreement, for certain costs of operating and maintaining the Wellhead Treatment Project, and (iv) provide payments by Goodrich to WVWD for certain potential costs of constructing, operating and maintaining the WVWD IX Systems (see definition of "WVWD IX Systems") and any additional treatment systems that Goodrich elects to utilize to meet its RD/RA obligations under the Goodrich Consent Decree in accordance with the OU2 ROD. In addition, subject to the terms of this Agreement, WVWD reserves and makes available to Goodrich its Available Water Rights (see definition of "Available Water Rights") to extract and treat OU2 groundwater impacted by Basin Contaminants, and provides access to Goodrich to WVWD's treatment systems for this**

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purpose. Further, subject to the terms of this Agreement, Goodrich pays WVWD for the operation and maintenance costs or "O&M Costs" (see definition of "O&M Costs") of the Wellhead Treatment Project, as well as certain other costs associated with Goodrich's potential use of WVWD's IX Systems, or other new wells, infrastructure and/or treatment systems that Goodrich elects to construct as part of Additional Activities (see definition of "Additional Activities"), that are necessary for Goodrich to comply with the Goodrich Consent Decree and OU2 ROD. The details of these arrangements are set forth in this Agreement.

- H. US EPA and the Settling Federal Agencies (see definition of "Settling Federal Agencies") have consented to the terms of this Agreement pursuant to the requirements set forth in Paragraph 11 of the Goodrich Consent Decree. In recognition of their obligations under the Goodrich Consent Decree, and the terms of this Agreement as they relate to such obligations, the Settling Federal Agencies and United Technologies Corporation ("UTC") are third party beneficiaries under this Agreement for purposes of the WVWD indemnification and release provisions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

ARTICLE 1. DEFINITIONS

1. "1961 Decree" shall mean that certain Decree dated December 22, 1961, filed on December 22, 1961, in Lytle Creek Water and Improvement Company, a corporation, Plaintiff vs. Fontana Ranchos Water Company, a corporation, et al., Defendants, Action no. 81264 in the Superior Court of the State of California, County of San Bernardino.
2. "2010 ROD" shall mean the document entitled "USEPA Superfund Interim Action Record of Decision", EPA ID: CAN000905945, dated September 30, 2010.
3. "Additional Activities" shall have the meaning set forth in Paragraph 3.1.2(g) hereof.
4. "Applicable Law" shall mean all federal, state and local laws, statutes, codes, moratoria, initiatives, referenda, ordinances, rules, regulations, policies, guidelines, standards, orders, judicial decisions, rulings, common law and other governmental and quasi-governmental requirements applicable to the activities and obligations that are the subject of this Agreement.
5. "Applicable Standards" shall mean (a) the remediation standards applicable to the RD/RA to be set forth by US EPA in the OU2 ROD; (b) the water treatment requirements, regulatory advisories and regulatory recommendations applicable to WVWD operations under federal, state and local Applicable Law; and (c) any permit requirements that are applicable to water production, treatment, disinfection, distribution and use of treated water.

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6. "ASAOC" shall mean the Administrative Settlement Agreement and Order on Consent for Performance of a Remedial Investigation and Feasibility Study" between Goodrich and US EPA effective as of February 26, 2013.
7. "Available Water Rights" shall mean the WVWD water rights defined in, and subject to limitations set forth in, Paragraph 2.1.0 hereof.
8. "Basin" shall mean the Rialto-Colton Groundwater Basin as defined in the 1961 Decree.
9. "Basin Contaminants" shall mean, consistent with the Goodrich Consent Decree, any type of perchlorate; trichloroethylene ("TCE"); carbon tetrachloride; chloroform; or methylene chloride; including any breakdown or "daughter" products of the foregoing (e.g.: trihalomethanes; haloacetic acids; cis-1,2 DCE; trans-1,2 DCE; and, vinyl chloride), from the RFF Site.
10. "CDPH" shall mean the California Department of Public Health.
11. "CDPH Demonstration Period" shall mean the period of time necessary for WVWD to obtain all necessary permits and approvals to direct groundwater extracted and treated by the Wellhead Treatment Project into its potable water system.
12. "CDPH Grant Agreement" shall mean the document entitled, "Funding Agreement Between the State of California Department of Public Health and West Valley Water District: Project Number P84-3610004-801, Funding Agreement No. 84-10C15", dated October 14, 2010.
13. "CDWR" shall mean California Department of Water Resources.
14. "CEQA" shall mean the California Environmental Quality Act.
15. "DDW" shall mean the California Environmental Protection Agency, State Water Resources Control Board, Division of Drinking Water, which is the successor agency to CDPH.
16. "ESTCP" shall mean the United States Department of Defense's Environmental Security Technology Certification Program.
17. "Extraction & Treatment Activities" shall mean the Extraction & Treatment Activities as described in Paragraph 3.1.1(b) hereof.
18. "FBR System" shall mean the existing fluidized bed reactor treatment system and all associated equipment (e.g., filters, aeration tanks, dissolved air filtration units), monitoring and controls, piping and connections located at WVWD's headquarters necessary to treat water to Applicable Standards for potable use.
19. "FXB System" shall mean a fixed bed reactor treatment system which may be constructed and operated by WVWD at the WVWD headquarters, and all associated equipment dedicated to the FXB System.

20. "Goodrich Consent Decree" means the Consent Decree (Case No. ED CV 09-01864 (SSx)) by and between the United States Environmental Protection Agency, United States of America, Goodrich Corporation, United Technologies Corporation, County of San Bernardino, City of Rialto, and City of Colton entered as a judgment by the United States District Court for the Central District of California – Western Division on July 2, 2013.

21. "IX" shall mean ion exchange.

22. "Non-Routine O&M Costs" shall mean those costs associated with the irregular and infrequent repair and replacement of significant components of the Wellhead Treatment Project. Such costs shall not include costs associated with O&M such as routine, scheduled, predictable maintenance costs; the cost of consumables; small value repairs (less than \$1,000 in total cost); or operator labor and similar costs which have been included in WVWD estimates of total annual O&M Costs.

23. "O&M Costs" shall mean the operation and maintenance costs as set forth in Paragraph 3.1.2 hereof and are comprised of Fixed O&M Costs and Variable O&M Costs as defined in Paragraph 2.2.5, and exclude Non-Routine O&M Costs.

24. "Operation and Maintenance" or "O&M" shall mean the reasonable and necessary activities associated with routine operation and maintenance, operator labor, and post-warranty equipment repair and replacement in connection with the Wellhead Treatment Project and Additional Activities. O&M shall include the following routine activities, materials and services: associated vendor service contracts; electric power; materials, chemicals and supplies; spare parts; WVWD labor directly attributable to the operation, maintenance and monitoring of the Wellhead Treatment Project and Additional Activities; sampling, outside laboratory expenses, and permit fees; and reporting of sentinel and production wells, and any groundwater modeling activities related to 97-005 compliance; and associated outside consultants including environmental, engineering, hydrogeology, and legal necessary to obtain and maintain permits. O&M shall not include materials and services associated with the following activities in connection with the Wellhead Treatment Project or Additional Activities: the lifting of groundwater to ground surface, the transport of extracted untreated groundwater to the selected treatment facilities (to the extent the lift of untreated groundwater is one pressure zone or less in elevation, subject to the FXB-related lifting exclusion in Section 3.1.2(h) hereof, and the disinfection of such extracted groundwater.

25. "OU2" shall mean "Operable Unit No. 2" at the RFF Site that addresses groundwater contaminated by Basin Contaminants or other contaminants of concern that are identified in the OU2 ROD at the RFF Site downgradient of the Target Area. OU2 does not include groundwater within the Target Area.

26. "OU2 ROD" shall mean the Record of Decision that will be issued by the US EPA to establish a remedy for the OU2 area of the RFF Site, as such Record of Decision may be modified or amended.

27. "Parties" shall mean WVWD and Goodrich.

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28. "Project Costs" shall mean all costs to be paid by Goodrich to WVWD during the Pre-OU2 ROD Period and Post-OU2 ROD Period as set forth in Paragraphs 2.2.2, 2.2.3, 2.2.4, 3.1.2, 3.3 and 4.1.4 of this Agreement.

29. "RD/RA" shall mean the remedial design/remedial action required pursuant to the Goodrich Consent Decree.

30. "RFF Site" shall mean the Rockets, Fireworks and Flares Superfund Site as defined by US EPA, which Site is the subject of the Goodrich Consent Decree.

31. "Rialto-Colton Basin" shall mean the basin that underlies a portion of the upper Santa Ana Valley in southwestern San Bernardino County and northwestern Riverside County. This basin is bounded by the San Gabriel mountains on the north, the San Jacinto fault on the east, the Box Spring Mountains on the south, and the Rialto-Colton fault on the west.

32. "Rialto Lease Agreement" shall mean the document entitled, "Agreement between the City of Rialto and Rialto Utility Authority and the West Valley Water District", dated July 13, 2010.

33. "RI/FS" shall mean the remedial investigation/feasibility study required pursuant to the Goodrich Consent Decree.

34. "SCADA" shall mean supervisory control and data acquisition is a system operating with coded signals over communication channels so as to provide control of remote equipment.

35. "Settling Federal Agencies" shall mean the "Settling Federal Agencies" as defined in Paragraph 4 of the Goodrich Consent Decree.

36. "State Board" shall mean the California State Water Resources Control Board.

37. "System Upgrade" shall mean any reasonable modifications, including any periodic repair or replacement activities (as determined by WVWD in consultation with Goodrich) to the Wellhead Treatment Project or any WVWD assets associated with any Additional Activities, reasonably necessary in order to implement the Wellhead Treatment Project and any Additional Activities. System Upgrades shall include modifications, repairs and replacement activities reasonably necessary to expand the Wellhead Treatment Project and/or perform any Additional Activities and other upgrades to reduce O&M Costs and optimize operations and operation efficiencies to the extent reasonably practicable. System Upgrades shall not include modifications, repairs, and replacement activities required as part of WVWD's Performance Guarantee as set forth in Paragraph 3.1.1(d) hereof.

38. "TCE" shall mean trichloroethylene.

39. "US EPA" shall mean the United States Environmental Protection Agency

40. "US EPA Approval Date" shall be the date that US EPA (in consultation with DDW) approves discontinuation of OU2 ROD activities pursuant to the Goodrich Consent Decree through

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the issuance of a Certification of Completion of Remedial Action as defined in Paragraph 51 of the Goodrich Consent Decree.

41. "Valley District" shall mean the San Bernardino Valley Municipal Water District.

42. "Well 6" shall mean Rialto Well No. 6 and the land and all pump, control, well piping and/or other equipment necessary to operate such well, which Well 6 is the subject of the Rialto Lease Agreement.

43. "Well 11" shall mean WWWD Well No. 11 and the land and all pump, control, well piping and/or other equipment necessary to operate such well.

44. Wellhead Treatment Project shall mean: (i) Well 6 and Well 11; (ii) the FBR System; (iii) pipelines to convey contaminated water from Well 6 and Well 11 to the FBR System; (v) monitoring and control systems (including SCADA) for Well 6 and Well 11.

45. "WWWD IX Systems" shall mean WWWD's four (4) existing WWWD IX Treatment Systems, three of which are located at the Rialto High School and one of which (the ESTCP IX unit) is located at the WWWD headquarters.

46. "WWWD Systems" shall mean all WWWD water production equipment, including the Wellhead Treatment Project and any Additional Activities implemented on behalf of Goodrich.

ARTICLE 2. THE PROJECT

2.1 General Project Description

2.1.0 WWWD Available Water Rights. WWWD's water rights which are available pursuant to the terms of this Agreement are defined by, and limited by reference to, the following:

(a) Applicable Law;

(b) the rights of WWWD set forth in the 1961 Decree, as such 1961 Decree may be modified;

(c) any agreement, contract, or other document to which WWWD is a party as of the Effective Date, including but not limited to, the Rialto Lease Agreement, and the CDPH Grant Agreement;

(d) excluding an average of 620 gallons per minute ("gpm") (1,000 acre feet annually) extracted from Well 54 (or any replacement well) necessary to meet WWWD's export offset obligations with respect to the delivery of water outside of the Valley District service area, which water rights are reserved by WWWD and thus are not available to apply to activities addressed under this Agreement; and

(e) any judicial or other decision or ruling binding on WVWD with respect to water rights or the use of water in the Rialto-Colton Basin.

Subparagraphs (a) – (e) are collectively referred to as WVWD's "Available Water Rights". The Parties acknowledge and agree that the Available Water Rights that are available for the Wellhead Treatment Project and any Additional Activities are limited and that the applicable limitations are subject to adjustment on an annual basis in accordance with the 1961 Decree. As an example, based on (i) the reservation by WVWD of an average flowrate of 1,500 gpm (2420 acre-feet) for the Wellhead Treatment Project and FXB System (if constructed), (ii) the reservation by WVWD of an average flowrate of 620 gpm for WVWD Well 54 (1,000 acre-feet), and (iii) the 2014/2015 reduction of 32% due to Basin water elevations, the total Available Water Rights as of the Effective Date that are available for any Additional Activities are equal to an average flowrate of 453 gpm (731 acre-feet). For illustration purposes, further information regarding estimated Available Water Rights (32% reduction scenario) and under a maximum 50% reduction scenario are set forth in Appendix A hereto. The Parties further acknowledge and agree that the amount of such Available Water Rights is subject to adjustment on an annual basis in June each year based on the then current Basin water elevation calculations for the Basin. Available Water Rights shall not include any WVWD water rights from outside the Basin.

2.1.1 System Operation: WVWD Assets. As provided in Paragraph 3.1.1 hereof, and subject to Available Water Rights, WVWD shall:

- (a) continuously extract groundwater utilizing the Wellhead Treatment Project to remove Basin Contaminants from the OU2 area, and treat such Basin Contaminants to meet Applicable Standards, except for such temporary periods of time necessary for WVWD to repair, replace, maintain the Wellhead Treatment Project, or during force majeure events pursuant to Article 5 hereof;
- (b) reserve and make available to Goodrich WVWD's Available Water Rights to the extent necessary for Goodrich to fulfill its obligations under the Goodrich Consent Decree to by performing the requirements established in the OU2 ROD;
- (c) reserve and make available to Goodrich for a decision-making period not to exceed ten (10) years after the Effective Date the WVWD IX Systems and any additional treatment system that may be constructed by WVWD for use by Goodrich, at Goodrich's election, to utilize in pursuing Additional Activities to the extent Goodrich elects to utilize such WVWD assets to fulfill its obligations under the Goodrich Consent Decree in performing the requirements established in the OU2 ROD. However, at Goodrich's request and with the concurrence of WVWD, the flow rate through the Wellhead Treatment Project may be reduced, but shall not be reduced to a flow rate less than the minimum flow requirements set forth in this Agreement. In the event that Goodrich desires to use the any or all of the WVWD IX Systems or any new treatment system that is constructed by WVWD, Goodrich shall provide WVWD with prior written notice that Goodrich exercises its rights to use such system(s); provided that:

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- (i) WWWD shall provide access to such system(s) no earlier than sixty (60) days after receipt of such notice;
- (ii) Goodrich shall pay all costs and expenses of rehabilitating and placing such system or systems in such working order as determined by WWWD or as required by Applicable Law; and
- (iii) Goodrich shall accept the WWWD IX Systems (or any of them) in an "AS IS-WHERE IS" condition, with all faults. This Agreement shall not require WWWD to make available to Goodrich any treatment system or other assets located outside of the Basin.

(d) in the event that Goodrich's use of the Available Water Rights requires WWWD to deliver water to other WWWD service area zones higher in elevation than those it would otherwise deliver to and/or at volumes materially greater than those it would otherwise be, in the absence of any Additional Activities within its service area, Goodrich shall pay the reasonable costs associated with providing the infrastructure (e.g., booster pumps) needed by WWWD to deliver water to such higher elevation service area zones to the extent the lift of treated water is greater than one pressure zone. WWWD agrees to use commercially reasonable efforts to minimize the need for and extent of any such actions and the associated costs.

2.1.2 Pre-OU2 ROD Payment Period Costs: The Parties acknowledge and agree that WWWD shall use commercially reasonable efforts to cause the permitting of the Wellhead Treatment Project through the CDPH Demonstration Period prior to the issuance by US EPA of the OU2 ROD. As provided in Paragraph 3.1.2 hereof, Goodrich shall pay WWWD for certain specified O&M Costs associated with the Wellhead Treatment Project during the "Pre-OU2 ROD Period" which shall run from the Effective Date of this Agreement through the date of issuance by US EPA of the OU2 ROD or December 31, 2017, whichever of these dates is earlier. The Pre-OU2 ROD Period will provide baseline cost data for actual Wellhead Treatment Project O&M Costs for use by the Parties in determining projected future O&M Costs after the Pre-OU2 ROD Period.

2.1.3 Full Payment Period Costs: Following the expiration of the Pre-OU2 ROD Period, in accordance with Paragraph 3.1.2 hereof, Goodrich shall pay WWWD for the actual O&M Costs associated with the Wellhead Treatment Project.

2.1.4 Additional Activities and Associated Cost Payments. The Parties acknowledge that US EPA, as part of the OU2 ROD, may require Goodrich to perform additional extraction and treatment activities beyond or instead of those associated with the Wellhead Treatment Project, and that Goodrich shall have rights to utilize certain WWWD assets to perform such additional activities as "Additional Activities" in accordance with Paragraph 3.1.2(g) hereof. Goodrich shall pay WWWD as Project Costs for the actual costs associated with such Additional Activities in accordance with Paragraph 3.1.2(g) hereof.

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2.1.5 Role of Settling Federal Agencies: The Settling Federal Agencies are parties to the Goodrich Consent Decree. Pursuant to Paragraph 11 of the Goodrich Consent Decree, the Settling Federal Agencies have approval rights in connection with matters addressed in this Agreement. Pursuant to such Paragraph 11, the Settling Federal Agencies have consented to the terms of this Agreement.

2.1.6 Role of US EPA: US EPA is a party to the Goodrich Consent Decree. Pursuant to Paragraph 11 of the Goodrich Consent Decree, US EPA has approval rights in connection with matters addressed in this Agreement. Pursuant to such Paragraph 11, US EPA has consented to the terms of this Agreement. US EPA also has regulatory jurisdiction over the RFF Site, and will issue the OU2 ROD establishing a remedy for the OU2 area of the RFF Site.

2.1.7 Role of DDW: DDW regulates and permits potable water use by the WWD and directly controls the permit conditions for water sources, treatment and distribution.

2.2 Modification or Changes to the Project

2.2.1 US EPA Modifications (ROD Amendments, Modified Orders, New Orders and Directives): Except as otherwise provided in this Agreement in terms of Goodrich's rights to conduct the Wellhead Treatment Project and Additional Activities so long as it pays Projects Costs associated with such activities, no modification to, or amendment of, the OU2 ROD or any subsequent ROD, or any new US EPA order or modified ASAOC creates any obligation upon WWD pursuant to this Agreement without the prior written approval of WWD, which approval may be withheld in WWD's sole and absolute discretion.

2.2.2 Changes in Concentration of Basin Contaminants or Basin Contaminants That Were Not Previously Tested for: Any reasonable costs associated with addressing concentration changes of any Basin Contaminant that affects the Wellhead Treatment Project or Additional Activities or any Basin Contaminant that was not tested for as of the Effective Date that affects the Wellhead Treatment Project or Additional Activities shall be a Project Cost.

2.2.3 Emerging Chemicals or Basin Contaminants Not Part of OU2 ROD:

- (a) Any reasonable cost associated with addressing any emerging, currently unregulated chemical or contaminant that is not a Basin Contaminant and that originates (in whole or in part) from the RFF site that (a) results in a directive from a regulatory agency to modify the Wellhead Treatment Project or any Additional Activities, or (b) causes WWD to voluntarily modify the Wellhead Treatment Project or any Additional Activities due to recognized health risks to its customers, shall be a Project Cost to the extent that such costs are attributable to the RFF Site (i.e., if 50% of such costs are attributable to the RFF Site, then 50% of such costs shall constitute Project Costs). In the event that a non-Basin Contaminant is detected above the laboratory method detection limit in source water being treated by WWD on behalf of Goodrich, and such non-Basin Contaminant is not attributable to the RFF Site, whether such contaminant is currently regulated or not, any cost associated with addressing regulatory directives or requirements associated with such contaminant (through

treatment, blending or otherwise), shall be the responsibility of WWWD; provided, that if such contaminant either cannot be treated using reasonably available technology, or the costs associated with such treatment are materially unreasonable, then the emergence of such contaminant shall be treated as a force majeure event in accordance with Article 5 hereof. This burden for any non-Basin Contaminant shall only be borne by WWWD if the contaminant is detected in at least 10 percent of the production or monitoring wells located elsewhere in the Basin and is thus not exclusive to any OU2 ROD-implementation source well(s). For purposes of this subparagraph, a "materially unreasonable" cost shall be a capital cost that is more than \$500,000, or an additional annual operation and maintenance cost that exceeds more than one-quarter of the then projected annual O&M Costs for the Wellhead Treatment Project.

- (b) In the event of a dispute between the Parties as to whether a contaminant is a Basin Contaminant, the Parties agree that such dispute shall be resolved in accordance with the dispute resolution provisions of Article 6 hereof, and that during the pendency of such dispute the Parties shall share equally the costs of addressing such chemical or contaminant and cooperate in good faith to address such chemical or contaminant expeditiously in a manner that minimizes costs to the maximum extent practicable.
- (c) In the event of a dispute between the Parties as to whether any emerging, currently unregulated chemical or contaminant that is not a Basin Contaminant originates from the RFF Site in whole or in part, or the extent to which such chemical or contaminant originates from the RFF Site or another source, the Parties agree that such dispute shall be resolved in accordance with the dispute resolution provisions of Article 6 hereof, and that during the pendency of such dispute the Parties shall share equally the costs of addressing such chemical or contaminant and cooperate in good faith to address such chemical or contaminant expeditiously in a manner that minimizes costs to the maximum extent practicable.

2.2.4 Changing Standards:

- (a) Any increase in O&M Costs that results from any change in Applicable Standards for any Basin Contaminant shall be a Project Cost.
- (b) In the event of a dispute between the Parties as to whether any increase in O&M costs results from any change in Applicable Standards for any Basin Contaminant, the Parties shall resolve such dispute in the same manner as specified in Paragraph 2.2.3(b) above.

2.2.5 Cooperation by the Parties

The Parties acknowledge and agree that to the extent modifications or repairs to the Wellhead Treatment Project or any Additional Activities are necessary for any reason, including but not limited to the reasons pursuant to this Paragraph 2.2, with the exception of WWWD's failure to meet the Standard of Care or Performance Guarantee pursuant to Paragraph 3.1.1(d) hereof, the Parties shall

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cooperate to the maximum extent practicable to reasonably minimize both the costs necessary to address such modifications or repairs and the timeframe for implementing such modifications or repairs, regardless of which Party is required to pay such costs. The Parties specifically acknowledge that implementation of any necessary modifications or repairs could result in a temporary suspension of the operation of the Wellhead Treatment Project and any Additional Activities, and agree that they shall cooperate to the maximum extent practicable to reasonably minimize the duration of any such temporary suspension. The Parties further agree that WVWD shall be relieved of its obligation to operate any affected portion or portions of the Wellhead Treatment Project or Additional Activities, and Goodrich shall be relieved of its obligation to pay the "Variable O&M Costs" associated with such affected portion or portions, during any such period of temporary suspension. "Variable O&M Costs" shall include power and chemicals except the power and chemicals necessary to maintain the facilities that are unable to be suspended; WVWD labor that is not required to maintain the affected facilities; vendor service contracts that can be deferred; and sampling, laboratory services and reporting that are not required regulatory agencies to be performed. During any such period of temporary suspension, Goodrich shall be obligated to continue to pay Fixed O&M Costs and Non-Routine O&M Costs. "Fixed O&M Costs" shall include the power and chemicals necessary to maintain the facilities that are unable to be suspended; WVWD labor that is required to maintain the affected facilities; vendor service contracts that cannot be deferred; and sampling, laboratory services and reporting that are required by regulatory agencies to be performed. WVWD, in consultation with Goodrich, shall use commercially reasonable efforts to reasonably minimize the amount of any remaining O&M Costs beyond the Variable O&M Costs.

ARTICLE 3. PROJECT MANAGEMENT

3.1. Responsibilities of the Parties

3.1.1 WVWD Responsibilities

(a) *Water Rights:*

- (i) As of the Effective Date, WVWD reserves and makes available to Goodrich its Available Water Rights in order for the Parties to conduct the Wellhead Treatment Project and Additional Activities, if any, in accordance with this Agreement.
- (ii) WVWD hereby represents that it has full legal rights to access and use Well 6 and Well 11 as of the Effective Date of this Agreement, and for the duration of this Agreement, subject to WVWD's Available Water Rights.
- (iii) WVWD, on an annual basis as of June 30, shall provide to Goodrich a report detailing WVWD's Available Water Rights for the then current operating year, as such rights may be adjusted based on the then current water elevations in the Basin.
- (iv) If Goodrich requires less than the full Available Water Rights on an annual basis to conduct the Wellhead Treatment Project and Additional Activities

(pursuant to Section 3.1.2(a)), if any, then WVWD may utilize any remaining Available Water Rights for any purposes whatsoever; provided, that any such remaining Available Water Rights shall not be irrevocably committed to other purposes for the water year at issue and shall remain available to the Parties to conduct the Wellhead Treatment Project and Additional Activities in future water years.

(b) *Extraction and Treatment of OU2 Area Groundwater:*

As of the Effective Date, subject to Applicable Law and Available Water Rights, WVWD shall implement the Wellhead Treatment Project by conducting the following activities which shall be defined as the "Extraction & Treatment Activities":

(i) Operate the Wellhead Treatment Project in accordance with the extraction and treatment protocol attached as Appendix B hereto (the "Extraction and Treatment Protocol");

(ii) Diligently pursue all activities required during the CDPH Demonstration Period and, following the termination of the CDPH Demonstration Period, treat Basin Contaminants in extracted groundwater using the Wellhead Treatment Project such that extracted water meets all Applicable Standards;

(iii) After the CDPH Demonstration Period is completed, WVWD shall accept such treated water into its water distribution system at locations selected by WVWD (with the exception of any temporary Wellhead Treatment Project maintenance projects, Wellhead Treatment Project re-starts, and/or temporary periods of discharge to any approved surface waters); and,

(iv) WVWD shall operate the Wellhead Treatment Project until the US EPA Approval Date.

(c) *Use of WVWD's System to Meet OU2 ROD Requirements:*

The Parties acknowledge that the OU2 ROD to be issued by US EPA may require Goodrich to perform extraction and treatment requirements instead of or beyond those associated with the Wellhead Treatment Project. Consistent with Goodrich's rights and responsibilities set forth in Paragraph 3.1.2(g) below with respect to Additional Activities, WVWD reserves and shall make available to Goodrich its FBR System (and any of the WVWD IX Systems or any new treatment system that is constructed by WVWD, as necessary) for the implementation of any such extraction and treatment activities required by the OU2 ROD; provided, that (i) Goodrich's use of the FBR System or any other treatment system for purposes other than treating water extracted from Well 6 and Well 11, or Goodrich's use of other extraction wells (existing wells or new wells that might be used in addition to or instead of Well 6 and Well 11), shall not

cause material, unreasonable interference with WVWD's ability to meet the performance requirements set forth in this Agreement; and, (ii) that while the Parties acknowledge and agree that the WVWD IX Systems are available for use by Goodrich as of the Effective Date of this Agreement, such systems shall only be reserved and made available to Goodrich for the ten (10) year decision-making period specified in Paragraph 2.1.1(c) hereof, and WVWD shall not be required to agree to make these and other components of its water system available for use by Goodrich if WVWD can demonstrate that such an action would cause material, unreasonable interference with the operation of its overall water system in a manner that cannot be reasonably remedied in accordance with the terms of this Agreement.

(d) *Standard of Care; Performance Guarantee:*

Subject to the terms and conditions in this Agreement, WVWD hereby (i) agrees to perform its obligations under this Agreement in accordance with Applicable Law and the standard of care applicable to local water purveyors, (ii) guarantees the performance of the FBR System and any Additional Activities designed and constructed by WVWD, including but not limited to the treatment of extracted groundwater to currently Applicable Standards for the FBR, and any Applicable Standards at the time of construction of any Additional Activities; and (iii) guarantees that the performance of any Additional Activities designed and constructed by WVWD achieves the treatment objectives reviewed and approved by Goodrich within the design criteria and operating conditions specified at the time of design for the limited period of time set forth below. The physical equipment and facilities of the FBR System and any Additional Activities designed and constructed by WVWD are guaranteed only to the extent that they are covered by WVWD's customary warranty obtained from equipment providers. WVWD's performance guarantee as set forth in Paragraph 3.1.1(d)(ii) above shall include a guarantee that the FBR System will remove perchlorate to meet current Applicable Standards based upon the feed water quality of up to 2700 ppb of perchlorate, 45 ppm of nitrate (NO₃), and 10 ppm of dissolved oxygen, at a maximum flow rate of up to 2,000 gpm (1,000 gpm per FBR). WVWD will not add additional treatment equipment to the FBR System for TCE and its daughter products, unless required by DDW. Notwithstanding the above, WVWD does not guarantee: (a) the extraction capacity of Well 6 or Well 11 or any future extraction wells; (b) or that the extraction of groundwater from Well 6 or Well 11, or any future extraction wells, will establish certain degrees of hydraulic capture of Basin Contaminants in the OU2 area. The performance guarantee set forth above as it applies to the FBR System and any Additional Activities designed and constructed by WVWD shall expire on the date that is two (2) years after the date of issuance of the amendment to WVWD's water supply permit for the FBR System and two (2) years after the completion of construction of any such Additional Activities. The portion of the FBR performance guarantee in Paragraph 3.1.1(d)(ii) that applies to the treatment of perchlorate and nitrate to

concentrations below current Applicable Standards shall survive for the term of this Agreement.

3.1.2 Goodrich Responsibilities

- (a) As of August 31 each year, Goodrich shall provide to WVWD an estimate of the amount of Available Water Rights that Goodrich will require for the following water year (October 1 through September 30) to be reserved and made available by WVWD for the Wellhead Treatment Project and any Additional Activities.
- (b) Goodrich shall pay to WVWD as "Project Costs" the (i) operation and maintenance costs associated with O&M ("O&M Costs") and System Upgrade Costs described in subsections (c) through (h) below, and (ii) Non-Routine O&M Costs, through the US EPA Approval Date; provided, that while Goodrich shall continue to be responsible for paying such O&M Costs for the duration of any force majeure event pursuant to Article 5 hereof, Goodrich shall be relieved of its obligation to pay "Variable O&M Costs" as defined in Paragraph 2.2.5 hereof for the duration of any such force majeure event.
- (c) *Pre-OU2 ROD Period Payments:*
 - (i) From the Effective Date through the date of issuance by US EPA of the OU2 ROD, or December 31, 2017, whichever date is earlier (the "Pre-OU2 ROD Period"), Goodrich shall make payments for 100% of actual O&M Costs associated with the Extraction & Treatment Activities, up to an annual O&M Costs cap of \$700,000, in accordance with Appendix C hereto. O&M Costs shall include costs associated with O&M. During the Pre-OU2 Rod Period, O&M Costs shall not include (A) any operation and maintenance costs of the Wellhead Treatment Project or Additional Activities to the extent such costs are associated with treatment of groundwater extracted by WVWD or third parties from areas other than the OU2 area, or (B) third party FBR-treatment related consultant fees in excess of \$50,000 per year, exclusive of any fees that constitute Non-Routine O&M Costs.
 - (ii) Goodrich's Pre-OU2 ROD Period Project Costs shall include the costs of any System Upgrade to the Wellhead Treatment Project.
- (d) *Post-OU2 ROD Period Payments:*
 - (i) Beginning as of the termination of the Pre-OU2 ROD Period, and continuing through the US EPA Approval Date (the "Post-OU2 ROD Period"), Goodrich shall pay the actual O&M Costs defined above for the Extraction & Treatment Activities in accordance with Appendix C hereto. During the Post-OU2 ROD Period, O&M Costs shall not include (A) any operation and maintenance costs of the Wellhead Treatment Project or Additional Activities to the extent such costs are associated with treatment of groundwater extracted by WVWD or

third parties from areas other than the OU2 area, (B) FBR System operator labor costs over 96 hours per week, or (C) third party FBR-treatment related consultant fees, except for any fees that constitute Non-Routine O&M Costs.

(ii) Goodrich's Post-OU2 ROD Period Project Costs shall include the costs of any System Upgrade to the Wellhead Treatment Project.

(e) **FXB System Costs**

(i) The Parties acknowledge that WVWD plans to construct the FXB System at the WVWD HQ location. In the event that WVWD elects to construct such FXB System, WVWD shall fund the capital costs of the FXB System from its own funds or funds that it receives from third party grant making entities, and shall be responsible for ensuring that such FXB System is properly permitted in accordance with Applicable Law.

(ii) In the event that WVWD constructs the FXB System, and such FXB System is utilized by WVWD to treat Basin Contaminants, Goodrich shall pay the O&M Costs associated with such FXB System in accordance with Appendix C hereto as of the date that such FXB System becomes fully permitted for use; provided, that for the duration of this Agreement Goodrich shall not be responsible for (a) any O&M Costs associated with the FXB System that are above and beyond the actual FBR System O&M Cost baseline (calculated using the average of the annual O&M Costs for the FBR System for the two calendar years (as adjusted for variations in chemical dosages based on changes in influent quality) preceding startup of the FXB System), (b) any Non-Routine O&M Costs associated with the FXB System, (c) any costs associated with any System Upgrade to the FXB System, or (d) any costs associated with the idling or demobilization of the FXB System.

(iii) In the event that WVWD constructs the FXB System, the 750 gpm minimum flow requirement set forth in Paragraph 3.1.2(g)(i) hereof shall be adjusted to 1,500 gpm.

(f) ***Goodrich Option to Terminate Post-OU2 ROD Period Payments:***

(i) In the event that US EPA issues an OU2 ROD that does not incorporate all or any portion of the Wellhead Treatment Project as part of the OU2 ROD for the RFF Site, Goodrich may, within one hundred and twenty (120) days of the date of issuance of the OU2 ROD, exercise its option to discontinue paying the Project Costs (as of the date of issuance of the OU2 ROD) for all or any portion of the Wellhead Treatment Project that Goodrich determines is not required by the OU2 ROD.

(ii) In the event that Goodrich exercises its option to discontinue payment of all Project Costs as specified in Paragraph 3.1.2(f)(i) above, the Parties' respective releases and indemnities set forth in Paragraph 4.2 and Paragraph 4.3 hereof shall, at WVWD's election, be modified as set forth in such referenced Paragraphs. Further, in the event that Goodrich exercises its option to discontinue payment of all Project Costs as set forth in Paragraph 3.1.2(f)(i) above, all provisions of this Agreement relating to the reservation of Available Water Rights by WVWD for Goodrich, and access to the Wellhead Treatment Project and WVWD IX Systems by WVWD for Goodrich, are voidable by WVWD.

(g) *Goodrich Option to Conduct Additional Activities.*

(i) So long as Goodrich does not exercise its option pursuant to Paragraph 3.1.2(f) above, and subject to Applicable Law and Available Water Rights, Goodrich shall have the right to (1) exercise its option to utilize WVWD's Wellhead Treatment Project (provided, that Goodrich shall be required to use the Wellhead Treatment Project for a minimum flow of 750 gpm), and (2) exercise its option to utilize WVWD's IX Systems or any other new treatment system constructed by WVWD or Goodrich, to conduct the Additional Activities defined in Paragraph 3.1.2(g)(ii) below. WVWD shall reasonably cooperate with Goodrich in the event that Goodrich exercises one or more of these options to, among other things, implement such options in a manner that minimizes costs to the extent reasonably practicable.

(ii) In exercising its option set forth in this Paragraph 3.1.2(g), within one hundred and twenty (120) days of the date of issuance of the OU2 ROD by US EPA, upon Goodrich's request and in consultation with WVWD, Goodrich may elect to design, construct and operate (note: Goodrich may not operate any elements of a potable water supply system), or request that WVWD design, construct and operate, at Goodrich's sole cost and expense, additional extraction wells and treat extracted groundwater from such wells utilizing the Wellhead Treatment Project, WVWD's IX Systems, or any new treatment system(s) to meet any additional extraction and treatment requirements imposed by US EPA through the OU2 ROD beyond the extraction and treatment activities associated with the Wellhead Treatment Project (the "Additional Activities"). WVWD may elect or decline to design and construct any Additional Activity as requested by Goodrich, in its sole and absolute discretion; provided, that should WVWD so elect or decline, such action shall not affect Goodrich's rights to design and construct any such Additional Activities or WVWD's obligation to operate any such Additional Activities on Goodrich's behalf pursuant to the terms of this Agreement. Any such new equipment or assets shall be owned by WVWD. Such Additional Activities to be conducted by the Parties may include but are not necessarily limited to:

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- (A) installing additional extraction wells within the OU2 area of the Basin, including any new monitoring and control systems (including SCADA) for the wellhead and treatment facilities;
- (B) installing piping associated with such new extraction wells in order to transport untreated extracted groundwater;
- (C) treating extracted groundwater from such new extraction wells at either the FBR System, the WVWD IX Systems (at their current locations or at potential new locations) or any new treatment systems, such that extracted water meets Applicable Standards;
- (D) distributing such treated water into WVWD's water distribution system at locations approved by WVWD and by DDW;
- (E) installing new monitoring and sentinel wells associated with any new extraction wells;
- (F) installing any necessary new pipelines or infrastructure to convey the treated water to WVWD's water distribution system;
- (G) Feasibility evaluation, conceptual design, engineering design, CEQA Compliance and permitting to support the development of the Additional Activities; and
- (H) Except as otherwise set forth herein, any necessary activities to discontinue use of, or idle, existing WVWD equipment and infrastructure.

(iii) Any Additional Activities that are to become part of WVWD's water extraction, treatment and water supply system shall not create material adverse impacts to, or unreasonable interference with, the Wellhead Treatment Project or WVWD's operation of its water extraction, treatment and water supply system, and must be reviewed and approved in writing and in advance by WVWD, which approval shall not be unreasonably withheld. Goodrich shall provide WVWD a minimum of thirty (30) calendar days to review Goodrich submittals. In the event that WVWD does not design and construct the Additional Activity(ies), approval of WVWD must be obtained for initiation of the Additional Activity(ies), project objectives and design criteria, design, acceptance of the constructed facility, and recommended operating procedures. All permits for the Additional Activity(ies), including CEQA compliance, will be obtained by and in the name of WVWD. Goodrich shall pay the cost of obtaining all necessary permits and approvals. WVWD shall be named as an additional insured on all construction contracts executed by Goodrich. WVWD and Goodrich agree that any Additional Activities shall be designed and implemented to the maximum extent practical to take

advantage of WVWD's existing assets in order to reasonably minimize impacts to WVWD's operations and the costs of any such Additional Activities.

(h) *Payment by Goodrich for Costs of Additional Activities:*

Project Costs to be paid by Goodrich to WVWD shall include any and all reasonable costs associated with such Additional Activities, including but not limited to: capital, operation and maintenance, consultants and accounting time associated with the Additional Activities described in Paragraph 3.1.2(g) hereof. Project Costs associated with Additional Activities shall include but not be limited to:

- (i) design, planning and feasibility studies;
- (ii) engineering;
- (iii) environmental compliance;
- (iv) permitting (including DDW permitting);
- (v) installation of any new extraction wells;
- (vi) installation of new piping required to transport extracted groundwater to the Wellhead Treatment Project treatment building (or WVWD's IX Systems or new system(s), as applicable);
- (vii) land acquisition and purchase;
- (viii) System Upgrades, and
- (ix) discontinued use or idling costs relating to any existing WVWD equipment or infrastructure, as well as O&M Costs associated with such activities. Project Costs also shall include reasonable and necessary costs incurred by WVWD for third party consulting and legal services, subject to pre-approval by Goodrich prior to the time that such costs are incurred. As is the case with O&M Costs associated with the Wellhead Treatment Project, O&M Costs associated with any Additional Activities shall not include the costs of lifting groundwater to ground surface, transporting untreated groundwater (to the extent the lift of untreated groundwater is one pressure zone or less in elevation or is not necessitated by the need to treat 750 gpm of water at the FXB, subject to Section 3.1.2(e)(iii)) to the selected treatment facilities, or disinfecting extracted groundwater.

3.2. WVWD Not Party to Goodrich Consent Decree:

No term or provision of this Agreement, or any action by the US EPA, shall subject WVWD to the provisions of the Goodrich Consent Decree or the OU2 ROD or any other order or agreement to which WVWD is not a signatory; provided, however, that WVWD acknowledges and agrees that the terms of this Agreement are subject to the approval by the US EPA and the Settling Federal Agencies, and that such parties have approved this Agreement pursuant to Paragraph 11 of the Goodrich Consent Decree; and further acknowledges that the terms of the OU2 ROD to be issued by US EPA will have a direct bearing on the manner, extent and degree to which the Wellhead Treatment Project and any Additional Activities need to be implemented by Goodrich in accordance with the Goodrich Consent Decree.

3.2.1 WVWD Partner in Negotiations with US EPA:

(i) The Parties acknowledge and agree that Goodrich is the responsible party under the terms of the Goodrich Consent Decree. Accordingly, during the term of this Agreement, if and only to the extent requested by Goodrich, WVWD shall use commercially reasonable efforts to assist Goodrich in discussions with US EPA concerning remedy selection and implementation issues as part of the development and implementation of the OU2 ROD. In providing such assistance, WVWD shall participate in such discussions in a manner coordinated and directed by Goodrich, and shall otherwise refrain from engaging in discussions with US EPA regarding the subject matter of the remedy selection and implementation issues as part of the development of the OU2 ROD. Notwithstanding WVWD's agreement to assist in such discussions, any reasonable costs set forth in Section 3.1.2(g) and 3.1.2(h) incurred by WVWD in connection with such assistance efforts shall be included as Project Costs, subject to pre-approval by Goodrich before such costs are incurred. Any assistance rendered by WVWD in accordance with this Paragraph 3.2.1 shall not require WVWD to undertake any obligation or incur any liability, except as otherwise provided in this Agreement. In pursuing discussions with US EPA, the Parties acknowledge and agree that the remedy selected by US EPA pursuant to the OU2 ROD should consist of a remedy that appropriately and efficiently addresses OU2 area Basin Contaminants to address any health or environmental risks posed by such contaminants while minimizing the costs of such remedy, all in accordance with Applicable Law. The Parties further acknowledge and agree that WVWD's Available Water Rights and FBR System and IX Systems existing as of the Effective Date of this Agreement are critical factors to consider in selecting and implementing a remedy that is capable of being implemented for the OU2 area of the RFF site.

(ii) During any such discussions with US EPA, WVWD shall not request or advocate the inclusion of additional groundwater extraction, treatment systems or technologies, or other requirements in the OU2 ROD for Basin Contaminants in excess of any extraction and treatment activities proposed by Goodrich or proposed or required by US EPA. Nothing in this subparagraph precludes WVWD from advocating positions related to any other remedy that is being performed in the Basin by third parties.

3.3 Procurement of Grant Funds:

Upon request of Goodrich, WVWD agrees to use commercially reasonable efforts to procure or assist in procuring additional grant funds (i.e., from the California agencies, US EPA, the United States Department of Defense, or other local agencies or programs) to apply for possible construction, expansion, upgrade and/or relocation of the FBR System, the WVWD IX Systems, any monitoring wells, or treatment system(s) associated with the Wellhead Treatment Project or Additional Activities. Upon any such request, Goodrich agrees that any costs incurred by WVWD in connection with its grant activities shall constitute Project Costs, provided that such costs are pre-approved by Goodrich prior to being incurred.

3.4 RESERVED

3.5 Budget Management:

(a) *Cost Estimate and Cost Control:* WVWD and Goodrich shall consult to establish cost estimate and cost control protocols for the Projects Costs, including but not limited to costs that are within WVWD's control incurred related to:

- (i) energy usage and related costs,
- (ii) administrative and supervisory costs, both relating to the operation and management of the applicable treatment systems and/or infrastructure, or pumping re-alignments,
- (iii) third party (e.g., consultant, engineering, and support services) costs. Such protocols shall include cost estimating, tracking and reporting procedures to ensure WVWD and Goodrich are fully informed of any costs incurred or to be incurred and that costs are reasonably minimized within the context of optimal and efficient treatment system performance. Without limiting the generality of the foregoing, consultations between WVWD and Goodrich also shall include ongoing efforts to minimize the level of operator labor required for O&M of the FBR System.

(b) *Budget Committee:*

- (i) A budget committee ("Budget Committee") will be formed to share budget information and to review anticipated costs proposals and updates of the operation of any of the facilities pursuant to this agreement. The budget committee shall be composed of representatives of WVWD and Goodrich.
- (ii) Budget Committee meetings shall be quarterly by telephone or in person (at the WVWD Headquarters), as requested, and may be held at other intervals as deemed to be appropriate by WVWD and Goodrich. Goodrich may call a meeting of the Budget Committee at any time provided it gives at least three (3)

days working advance notice in writing together with an agenda of items to be discussed. Any documents to be discussed during regular meetings shall be shared in advance.

(iii) Budget Committee meetings shall also be utilized to discuss deliverables that may be due to public agencies' requests and to review directives, deadlines or requests relating to the Goodrich Consent Decree or other related requirements.

(iv) On an annual basis, the Budget Committee shall review the status of the project relating to contaminant migration control needs, OU2 ROD objectives/performance criteria, WWWD and DDW considerations in relation to water quality, distribution and reporting requirements, general updates of project progress and any need for recommendations or modifications to the project. There shall also be a review of Project Costs and anticipated future budget items.

(v) Throughout the term of this Agreement, WWWD shall keep Goodrich fully informed of the status of the Wellhead Treatment Project and any Additional Activities and provide Goodrich with a quarterly report summarizing the Wellhead Treatment Project and any Additional Activities detailing the Project Costs such that Goodrich may verify and conduct periodic financial audits of such costs. WWWD shall provide quarterly invoices to Goodrich with detailed and verifiable information documenting all quarterly costs.

**ARTICLE 4: RISK MANAGEMENT
(INSURANCE / RELEASES / INDEMNITIES / RESERVATION OF RIGHTS AND TOLLING)**

4.1 Insurance

4.1.1 WVWD represents that as of the Effective Date, it is a member of the Association of California Water Agencies Joint Powers Insurance Authority ("JPIA"), and that the JPIA is a partnership of water agencies which provides risk sharing pools to meet the needs of its member agencies for property and liability purposes. WVWD further represents that its insurance coverage as a member of the JPIA includes the following:

- (a) commercial general liability insurance with respect to WVWD's operations, including, but not limited to, personal injury, blanket contractual and products/completed operations liability coverage, which coverage exceeds Ten Million Dollars (\$10,000,000) combined single limit bodily injury, death and property damage per occurrence, and
- (b) automobile liability insurance with respect to WVWD's operations, including, owned, non-owned and hired vehicles with coverage exceeds Ten Million Dollars (\$10,000,000) combined single limit bodily injury, death and property damage per occurrence.

The foregoing limits may be satisfied by a combination of primary coverage by the JPIA and an excess or umbrella policy.

4.1.2 As of the Effective Date, and for the term of this Agreement, WVWD shall include this Agreement in its policies through the JPIA, include Goodrich as an additional insured party on such JPIA policies, and provide to Goodrich copies of the JPIA policies and evidence that it has been named as an additional insured on such policies.

4.1.3 In the event WVWD's membership with JPIA is terminated, WVWD shall use commercially reasonable efforts to obtain and maintain replacement insurance policies of the types specified in Paragraph 4.1.1 above naming Goodrich as an additional insured party. Said replacement policies shall each provide coverage in the minimum liability limits of Ten Million Dollars (\$10,000,000). Such replacement insurance may, however, be in the form of a single limit policy in the amount of Ten Million Dollars (\$10,000,000) covering all such risks. All such policies shall provide that Goodrich shall be given thirty (30) days notice before cancellation thereof and ten (10) days notice before expiration of the coverage provided thereby.

4.1.4 In the event that Goodrich elects to procure additional insurance beyond that set forth in Paragraph 4.1.1 above, WVWD shall cooperate with Goodrich in such procurement, and Goodrich shall be responsible for paying the cost of such additional insurance as a Project Cost.

4.2. WVWD Release and Indemnity

4.2.1 WVWD hereby (a) releases Goodrich, UTC and the Settling Federal Agencies from any costs, fees, losses, claims, suits, fines, penalties or other liabilities (together, the "Losses"), including but not limited to direct and indirect costs (and reasonable attorneys' fees), arising from Basin Contaminants from the RFF Site, and (b) releases, indemnifies, defends and holds harmless

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Goodrich, UTC and the Settling Federal Agencies from any Losses, including but not limited to direct and indirect costs (and reasonable attorneys fees), arising from or in connection with WVWD's breach of any obligation in this Agreement including but not limited to any negligent and/or willful misconduct by WVWD which causes failure of the Wellhead Treatment Project and/or any Additional Activities. The foregoing indemnity shall not relate to Losses arising from or in connection with the negligence, intentional acts, or willful misconduct of Goodrich, UTC and/or the Settling Federal Agencies or their respective employees, officers, agents, contractors, and/or representatives. Such release set forth in clause (a) above shall not affect WVWD's right to implead Goodrich, UTC or the Settling Federal Agencies into any action by any independent third party against WVWD within the scope of any such third party action, except to the extent to which Losses within the scope of such third party action are governed by clause (b) above. Such release, indemnification and hold harmless set forth in clause (b) above shall include but not be limited to any Losses associated with any action by a third party. In the event that Goodrich, UTC or the Settling Federal Agencies allege that they have incurred Losses in connection with any alleged WVWD breach of this Agreement or alleged negligent and/or misconduct by WVWD, Goodrich's payment obligations set forth in this Agreement, as well as WVWD's performance obligations set forth in this Agreement, shall continue during the course of any applicable dispute resolution process conducted pursuant to the terms of this Agreement. Goodrich shall provide to WVWD prompt written notice of any claim for indemnification after Goodrich obtains knowledge of any such claim.

4.2.2 The release and indemnity set forth in Paragraph 4.2.1 above shall inure to the benefit of (a) Goodrich and UTC, and their respective Board members, management staff, attorneys and representatives, and (b) the Settling Federal Agencies. UTC and the Settling Federal Agencies shall be third party beneficiaries of this Agreement.

4.2.3 In the event that Goodrich exercises its option in accordance with Paragraph 3.1.2(f) hereof to terminate payment of the Project Costs, at WVWD's election, the release and indemnity provided in Paragraph 4.2.1 above shall become null and void, except as such release and indemnity applies and shall continue to apply to the Wellhead Treatment Project or Additional Activities conducted, and associated Project Costs paid by Goodrich, through the termination date. In the event that such release and indemnity becomes null and void as set forth herein, any applicable statutes of limitation pertaining to any potential claims by and between the Parties shall be tolled until the date that is one year after such termination date, and the Parties shall retain their respective rights in connection with any such claims. Any modification of the release and indemnity provisions pursuant to this Paragraph 4.2.3 shall be reflected by identical modifications to the release and indemnity provisions of Paragraph 4.3 below.

4.3 Goodrich Release and Indemnity

4.3.1 Goodrich hereby (a) releases WVWD from any costs, fees, losses, claims, suits, fines, penalties or other liabilities (together, the "Losses"), including but not limited to direct and indirect costs (and reasonable attorneys' fees), arising from or in connection with the RFF Site or Basin Contaminants, and (b) releases, indemnifies, defends and holds harmless WVWD from any Losses, including but not limited to direct and indirect costs (including reasonable attorneys fees), arising from or in connection with Goodrich's breach of any obligation in this Agreement including but not limited to any negligent and/or willful misconduct by Goodrich which causes WVWD to incur costs, damages or

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expenses. The foregoing indemnity shall not relate to Losses arising from or in connection with the negligence, intentional acts, or willful misconduct of WVWD or its employees, officers, agents, contractors, and/or representatives. Such release set forth in clause (a) above shall not affect Goodrich's right to implead WVWD into any action by any independent third party against Goodrich within the scope of any such third party action, except to the extent to which Losses within the scope of such third party action are governed by clause (b) above. Such release, indemnification and hold harmless set forth in clause (b) above shall include but not be limited to any Losses associated with any action by a third party. In the event that WVWD alleges that it has incurred Losses in connection with any alleged Goodrich breach of this Agreement or alleged negligence and/or misconduct by Goodrich, Goodrich's payment obligations set forth in this Agreement, as well as WVWD's performance obligations set forth in this Agreement, shall continue during the course of any applicable dispute resolution process conducted pursuant to the terms of this Agreement. WVWD shall provide to Goodrich prompt written notice of any claim for indemnification after WVWD obtains knowledge of any such claim.

4.3.2 The release and indemnity set forth in Paragraph 4.3.1 above shall inure to the benefit of WVWD and its Board members, management, staff, attorneys and representatives.

4.3.3 In the event that Goodrich exercises its option in accordance with Paragraph 3.1.2(f) hereof to terminate payment of the Project Costs, at WVWD's election, the release and indemnity provided in Paragraph 4.3.1 above shall become null and void, except as such release and indemnity applies and shall continue to apply to the Wellhead Treatment Project or Additional Activities conducted, and associated Project Costs paid by Goodrich, through the termination date. In the event that such release and indemnity becomes null and void as set forth herein, any applicable statutes of limitation pertaining to any potential claims by and between the Parties shall be tolled until the date that is one hundred and eighty (180) days after such termination date, and the Parties shall retain their respective rights in connection with any such claims. Any modification of the release and indemnity provisions pursuant to this Paragraph 4.3.3 shall be reflected by identical modifications to the release and indemnity provisions of Paragraph 4.2.3 above.

4.4 Reservation of Rights Against Non-Parties

Except as otherwise set forth herein, the Parties each reserve all rights against any entity that is not a party to this Agreement.

ARTICLE 5. FORCE MAJEURE**5.1 Definition****5.1.1**

(a) "Force Majeure" for purposes of this Agreement is defined as any event arising from causes beyond the control of the Parties which delays or prevents the performance of any obligation under this Agreement despite reasonable best efforts of the Parties to fulfill such obligations. The requirement that the Parties exercise reasonable best efforts to fulfill the obligations includes efforts to anticipate any potential force majeure and efforts to address the effects of any potential force majeure (i) as it is occurring, and (ii) following the potential force majeure, such that the delay and any adverse effects of the delay are minimized to commercially reasonable standards.

(b) Force Majeure shall include any of the following:

- (i) actual delays due to strikes, lockouts or other labor disturbance, delays or inaction by any governmental agency;
- (ii) civil disturbance;
- (iii) war, riot, sabotage, blockage, stampedes, lack of transportation facilities, or embargo;
- (iv) inability to secure materials, supplies or labor through ordinary sources by reason of regulation or order of any government or regulatory body;
- (v) severe or unusual shortages of material, supplies or labor;
- (vi) any Act of God, including lightning, rain, earthquake, fire, storm, hurricane, tornado, flood, washout, explosion, terrorist act, which results in destruction or damage to any applicable facility of WVWD including the FBR System, WVWD IX Systems or treatment facilities/infrastructure installed as part of Additional Activities;
- (vii) moratoriums and referendums;
- (viii) emergency equipment failure;
- (ix) any other cause outside of either Party's reasonable control similar to the foregoing.

5.1.2 If any event occurs or has occurred that may delay the performance of any obligation under this Agreement for which a Party intends or may intend to assert a claim of force majeure, such Party (the "asserting Party") shall notify orally the other Party (the "affected Party") as soon as reasonably practical when the asserting Party first knew that the event might cause a delay. Thereafter, and as soon as reasonably practical, that asserting Party shall provide in writing to the affected Party an explanation and description of the reasons for the delay; the anticipated duration of the delay; potential actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; the rationale for attributing such delay to a force majeure; and a statement as to whether, in the opinion of the asserting Party, such event may cause or contribute to an endangerment to public health or welfare, or the environment. The asserting Party shall endeavor to include with any notice

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all available documentation in its possession or control supporting its claim that the delay was attributable to a force majeure. The asserting Party asserting the force majeure event shall be deemed to know of any circumstance of which that Party, any entity controlled by that Party, or that Party's contractors knew or should have known. Failure to comply with the above requirements regarding an event shall preclude the asserting Party from asserting any claim of force majeure regarding that event. Notwithstanding this Paragraph, if the affected Party – despite late notice – is able to assess to its reasonable satisfaction whether the event is a force majeure under this Paragraph and whether the asserting Party has exercised its commercially reasonable best effort under this Paragraph, the affected Party may, in its discretion, excuse in writing the asserting Party's failure to submit timely notices under this Paragraph.

5.1.3 If the affected Party agrees that the delay or anticipated delay is attributable to a force majeure, the time for performance of the obligations under this Agreement that are affected by the force majeure will be extended by the affected Party for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the force majeure shall not, of itself, extend the time for performance of any other obligation. If the affected Party does not agree that the delay or anticipated delay has been or will be caused by a force majeure, the affected Party shall notify the asserting Party in writing of its decision.

5.1.4 If either Party elects to invoke the dispute resolution procedures set forth in this Agreement, such Party shall do so no later than fifteen (15) days after issuance of the notice provided for in Paragraph 5.1.3 above.

ARTICLE 6. DISPUTE RESOLUTION

Any disputes between WWD and Goodrich concerning any matter relating to this Agreement, including but not limited to any matters that require consultations between the Parties or the approval of a Party pursuant to this Agreement, shall be resolved in the following manner:

6.1 The Parties agree to meet and confer to resolve any dispute during the thirty (30) day period following written notice of a dispute from one Party to the other Party;

6.2 If the dispute is not resolved through the meet and confer process, either Party may propose that such dispute be submitted to mediation by a mediator selected by the Parties. If the other Party consents to the proposal for mediation, such mediation shall be conducted as soon as possible following the conclusion of the meet and confer process, and in any event shall be concluded within the ninety (90) day period following the conclusion of the meet and confer process unless both Parties agree to extend such period.

6.3 In the event that the dispute is not resolved through the meet and confer or mediation processes, the Parties or either Party may submit such dispute for resolution through binding arbitration in accordance with the Commercial Arbitration Rules of American Arbitration Association ("AAA"). The arbitration shall be conducted before a single, neutral arbitrator. Within ten (10) days of the commencement of arbitration, each Party shall select one person to act as arbitrator and the two selected arbitrators shall in turn select a third, neutral arbitrator within ten

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(10) days of their appointment. If the arbitrators selected by the Parties are unable to select a third, neutral arbitrator, the third, neutral arbitrator shall be promptly selected by the AAA. Unless such period is extended by written agreement between the Parties, the arbitration shall be conducted in an expedited fashion such that the award shall be made within one hundred and twenty (120) days of the original notice of intention to arbitrate, and the selected neutral arbitrator shall agree to this time limitation at the time he or she is appointed. The Parties agree that the prevailing party shall be entitled to reasonable attorneys fees and costs.

6.4 During the pendency of any dispute, both Parties agree to continue to fulfill their responsibilities pursuant to this Agreement (including but not limited to Goodrich's payment responsibilities and WWWD's obligations to conduct the Wellhead Treatment Project and any Additional Activities) and to take reasonable steps to mitigate any adverse impacts of such dispute on the conduct of the Wellhead Treatment Project or any Additional Activities, such that the overriding goals of removing Basin Contaminants from the OU2 area of the RFF Site and enabling WWWD to supply treated water to its customers continue to be met.

*****INSERT*****

ARTICLE 7_RESERVED TITLE

ARTICLE 8. END OF PROJECT DEMOBILIZATION COSTS

The Parties agree that the costs of demobilizing the physical equipment associated with the Wellhead Treatment Project or any Additional Activities during the term of this Agreement shall be shared equally by the Parties; provided, that Goodrich shall be responsible for all demobilization costs in connection with any new systems or new equipment constructed as part of Additional Activities, unless WVWD elects to continue to use any such systems or equipment that have not reached the end of their useful lives as of the USEPA Approval Date.

For the purposes of determining when demobilization may begin, the Parties agree that the trigger date upon which WVWD may initiate demobilization is the earlier of (a) the USEPA Approval Date, or (b) the date upon which Goodrich notifies WVWD that Goodrich has received written notice from US EPA that pumping activities at the Wellhead Treatment Project or Additional Activities are no longer required, whichever date comes first.

ARTICLE 9. DEFAULT / PAST DUE AMOUNTS

9.1 Default, Remedies of the Parties

- (a) The following events shall be deemed to be acts of default ("Acts of Default") by either Party under this Agreement regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency, or other proceeding which has or might have the effect of preventing such Party from complying with the terms of this Agreement:
- (i) Failure to pay any sums to be paid hereunder within ten (10) days after written notice of such failure has been given to the defaulting Party;
 - (ii) Failure to comply in any material respect with any material term of this Agreement, other than the payment of sums to be paid hereunder, without curing such failure within ten (10) days after written notice thereof if such failure can reasonably be cured within said ten (10) day period; or if such failure cannot reasonably be cured within the ten (10) day period, and such Party shall not have commenced to cure such failure within said period and shall not thereafter with reasonable diligence and good faith proceed to cure such failure;
 - (iii) Filing, or consent to the filing of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy by a Party, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; or a Party shall make an assignment for the benefit of creditors; or a Party shall consent to the appointment of a custodian, receiver, trustee, or other officer with similar powers, for substantially all of a Party's property, or be adjudicated insolvent; or an order for relief shall be entered against a Party in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up or liquidation of all or any part of a Party's property; or any petition for any such

relief shall be filed against a Party and shall not be dismissed within forty-five (45) days.

- (b) Upon the occurrence of any Act of Default, the non-defaulting Party may, at its option, and in addition to any other rights the non-defaulting Party may have at law or in equity, enforce, by all proper and legal suits and other means, its rights hereunder, including, without limitation, the collection of sums due hereunder, and should it be necessary for such Party to take any legal action in connection with such enforcement, the defaulting Party shall pay such Party all costs, including reasonable attorneys' fees so incurred, all without prejudice to any remedies that might otherwise be used by either Party for recovery of arrearage of sums due hereunder, damages as herein provided, or breach of covenant.
- (c) Upon the occurrence of any Act of Default by Goodrich which results in a material failure by Goodrich to meet its payment and reimbursement obligations set forth in this Agreement, WWD may, at its election, within ten (10) days after written notice of such Act of Default has been given to Goodrich, cease operation of the Wellhead Treatment Project or Additional Activities until such Act of Default is cured.

9.2 Past Due Amounts

Except as expressly provided herein to the contrary, any amounts due hereunder, if not timely paid by the Party from whom they are due, shall: (i) be subject to a late payment of two and one half percent (2.5 %) the amount due.

ARTICLE 10. MISCELLANEOUS (GOVERNING LAW, AMENDMENTS, NO SEVERABILITY, NOTICE)

10.1 No Severability

If any provision of this Agreement shall be ruled invalid, illegal or unenforceable, the Parties shall: (1) promptly negotiate a substitute for the provision which shall, to the greatest extent legally permissible, effect the intent of the Parties in the invalid, illegal or unenforceable provision and (2) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition and in conjunction with Section (1) above to give effect to the original intent of the Parties without the invalid, illegal or unenforceable provision.

10.2 Sole Agreement

It is expressly understood and agreed that this Agreement (including the appendices attached hereto and any documents referred to in this Agreement) contains all of the terms and conditions of the settlement between the Parties and that there are no other agreements between the Parties, either written or oral, pertaining to the matters addressed in this Agreement.

10.3 Power To Execute

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Each Party represents and warrants that it has complete authority, right and power to enter into and execute this Agreement.

10.4 Partial Invalidity

If any of the terms, covenants or conditions contained in this Agreement are held to be invalid, then any such invalidity shall not affect any other term, covenant or condition contained herein, which shall remain in full force and effect.

10.5 Jurisdiction And Venue

This Agreement shall be governed by the laws of the State of California, and is entered into and made to be performed and shall be enforced for all purposes within Riverside County, State of California.

10.6 Waiver, Modification and Amendment

No provision hereof may be waived unless in writing and signed by the Parties giving the waiver and by the Parties benefited by the waiver. Waiver of any one provision herein shall not be deemed to be a waiver of any other provisions herein. This Agreement may be modified or amended only by written agreement executed by all of the Parties.

10.7 Confidentiality

All terms and conditions of the Agreement shall remain confidential, to the extent permitted by law. For example, as permitted by law, discussions by WWD's Board of Directors concerning this matter will be held in closed session, with public notices and agendas for such meetings not disclosing the specific terms and conditions of the Agreement.

10.8 Counterparts

This Agreement may be executed in counterparts with each counterpart being deemed one and the same original document.

10.9 Paragraph Headings

Paragraph headings are for the convenience of the Parties only and shall not be considered in construing or interpreting this Agreement.

10.10 Further Assurances

Each of the Parties hereto agrees to execute such other and further agreements and writings as may be necessary to effectuate the intent of this Agreement.

10.11 Consultation With Counsel

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EACH OF THE PARTIES TO THIS AGREEMENT WARRANTS AND REPRESENTS AND AFFIRMATIVELY STATES THAT SUCH PARTY HAS CAREFULLY READ AND UNDERSTANDS THE TERMS OF THIS AGREEMENT AND THAT IT HAS NOT RELIED UPON THE REPRESENTATIONS OR ADVICE OF ANY OTHER PARTIES HERETO OR ATTORNEY NOT THEIR OWN, EXCEPT AS OTHERWISE PROVIDED HEREIN. THIS AGREEMENT AND THE TERMS AND CONDITIONS THEREOF WERE DETERMINED BY ARMS LENGTH NEGOTIATIONS BY, BETWEEN AND AMONG THE PARTIES TO THIS AGREEMENT AND EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN FULLY ADVISED BY ITS RESPECTIVE COUNSEL.

10.12 Facsimile/E-mail Signature Same Force And Effect As Original Signature

The Parties agree that, in the interest of time, this Agreement may be signed in faxed or emailed counterparts, which shall have the same force and effect as an original signature.

10.13 Notices

Any notice, demand or request required hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) telephonic facsimile; (c) nationally recognized overnight commercial courier regularly providing proof of delivery; or (d) registered or certified, first class U.S. mail, return receipt requested:

If to Goodrich/UTC:

United Technologies Corporation
10 Farm Springs Road, MS 10FS-2
Farmington, CT 06032
Attention: David Platt, Associate General Counsel
Phone: (860) 728-7839
eFax: (860) 660-8849
Email: david.platt@utc.com

With a copy to:

Donald Bilder, UTC Project Manager
P.O. Box 3065
West Palm Beach, FL 33402
Phone: (561) 651-4147
eFax: (860) 353-5875
Email: donald.bilder@utc.com

If to WVWD:

West Valley Water District
855 West Baseline Road

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Rialto, CA 92337
Phone: (909) 875-1804
Attention: Matthew H. Litchfield, P.E.
Phone: 909-820-3701
Email: mlitchfield@wwwd.com

With a copy to:

Tafoya & Garcia, LLP
316 West 2nd Street, Suite 1000
Los Angeles, CA 90012
Phone: (213) 617-0800
Facsimile: (213) 617-2226
Attention: David J. Olivas

Such address(es) may be changed by notice to the other Party given in the same manner as above provided. Any notice, demand or request shall be deemed to be delivered (whether delivery was accepted or refused by the addressee Party) as follows: If sent pursuant to either clause (a) or (b), above, upon such personal service or upon dispatch by facsimile (provided that in the case of transmission by telephonic facsimile, the sender shall have obtained reliable written confirmation of such transmission), if such personal service or dispatch is made before or during business hours of a business day, and if not, upon the next succeeding business day; if sent pursuant to clause (c), above, upon the business day indicated by such courier's proof of delivery; and if sent pursuant to clause (d), upon the date of delivery as evidenced by the return receipt.

10.14. Terms of Agreement Prevail:

If there are any conflicts between the terms of this Agreement and any terms or conditions provided in the attached Appendices, the terms of the Agreement shall prevail.

10.15. Assignment

The respective rights and obligations of the Parties under this Agreement may not be assigned by either Party without the consent of the other Party, which consent may be withheld in such Party's sole and absolute discretion.

10.16. Applicable Law

The Parties agree and acknowledge that the obligations of the Parties are subject to Applicable Law.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

WEST VALLEY WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____
Hereunto Duly Authorized

GOODRICH CORPORATION

By: Christopher Feddesen
Name: Christopher Feddesen
Title: Vice President & General Counsel
Date: Feb. 2, 2017
Hereunto Duly Authorized

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10.16. Applicable Law

The Parties agree and acknowledge that the obligations of the Parties are subject to Applicable Law.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

WEST VALLEY WATER DISTRICT

By: *Clifford J. Jones*
Name: Clifford JONES
Title: President
Date: 1/22/2016
Hereunto Duly Authorized

GOODRICH CORPORATION

By: _____
Name: _____
Title: _____
Date: _____
Hereunto Duly Authorized

**APPENDIX A
REMEDY RIGHTS ESTIMATE**

Category	Full Acre Feet (100%)	~Continuous GPM	2014/2015 Acre Feet (-32%)	~Continuous GPM	Minimum Acre Feet (-50%)	~Continuous GPM
West Valley Water District Base Restricted Right	6,104	3,784	4,415	2,573	3,052	1,892
Reserve: Well 54 (1,000 AF)	-1,000	-620	-1,000	-620	-1,000	-620
Reserve: WHT Project and FXB (1,500 gpm)	-2,420	-1,500	-2,420	-1,500	-2,420	-1,500
Available for Remedy, Beyond Reserves	2,684	1,664	731	453	-368	-228

Appendix B

Extraction and Treatment Protocol

- 1) Subject to the Operating Parameters and Permissible Variances below, WVWD shall:
 - a) Extract groundwater from Well 6 and Well 11; or Wells 6 and 11 and other existing or new wells; or other existing or new wells (instead of Wells 6 and 11) at the rates, volumes, and hours detailed below;
 - b) During the Pre-ROD period, treat extracted groundwater at the WTP and, in the event it is constructed by WVWD, the FXB System. During the Post-ROD period, treat extracted groundwater at the WTP and, in the event it is constructed by WVWD, the FXB System, or WVWD IX Systems, or any other systems that may be constructed in the future, subject to Section 3.1.2(f) of the Agreement, such that extracted water meets Applicable Standards; and
 - c) Accept such treated water into its drinking water supply system and/or discharge the treated water into the Cactus Basin.

- 2) The following Operating Parameters shall govern the extraction and treatment of groundwater by WVWD:
 - a) The extraction of groundwater from Well 6 and Well 11: or Wells 6 and 11 and other existing or new wells; or other existing or new wells (instead of Wells 6 and 11) shall be balanced to optimize the removal and containment of Basin Contaminants
 - b) The District shall use commercially reasonable efforts to extract water 24 hours per day, 7 days per week, subject to the variances in operation set forth in Paragraph 3 of this Appendix.
 - c) The combined extraction rate from the wells shall be established by Goodrich, in consultation with WVWD, based on the objectives of the overall groundwater remedy being implemented for OU2.
 - d) At Goodrich's request, WVWD shall within a reasonable timeframe following notification, adjust the combined extraction rate with a minimum flow required for operation of the WTP (750 gpm adjusted to 1,500 gpm total in the event WVWD constructs the FXB System).
 - e) Further, if Goodrich determines it to be technically or financially beneficial, and subject to Available Water Rights, WVWD shall at Goodrich's request allow water from Well 6 and Well 11, or Wells 6 and 11 and other existing or new wells, or other existing or new wells (instead of Wells 6 and 11), in excess of the minimum flow required for operation of the WTP (750 gpm adjusted to 1,500 gpm total in

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- the event WVWD constructs the FXB System), to be treated using the WVWD IX Systems or any other treatment systems that may be constructed in the future. Similarly, if Goodrich wants to allow water from other extraction wells to be treated at the WTP it shall submit its request to WVWD, subject to the approval process provided for in Section 3.1.1(c)(i).
- f) **Regular Meetings of the Parties:** Goodrich and WVWD shall meet by phone once a month (or as necessary) to exchange information and to discuss the operations of the WTP and any operating issues related thereto.
 - g) Goodrich shall submit all requests for changes in system operations to WVWD in writing to a designated technical point of contact. WVWD shall review and approve such proposed changes, and such approval shall not be unreasonably withheld so long as such changes do not result in material, unreasonable interference with WVWD's operations. In the event that WVWD objects to any requested changes, such objections shall be provided in writing within ten (14) days to a designated technical point of contact. The Parties are obligated to meet and confer regarding the dispute, and if the Parties cannot resolve the issue, the matter shall be submitted to the Dispute Resolution process as set forth in the Agreement. Following completion of any requested changes to system operation, WVWD shall provide written confirmation to Goodrich to a designated technical point of contact.
 - h) Payment of O&M Costs incurred by WVWD is discussed in Appendix C.
- 3) **Permissible Variances to the Operating Parameters for Extraction and Treatment are set forth below:**
- a) The above criteria are not intended to prohibit WVWD from performing routine and non-routine maintenance, including repair and replacement.
 - b) WVWD can make any necessary short-term adjustments to the rates, volumes, and hours of system-wide operational activities that are necessary for the safe and reliable operation of its water supply system and protection of public health or employee safety. Short-term shall be defined as fifteen (15) days or less in continuous duration and such adjustments shall not exceed thirty (30) days in any calendar quarter. WVWD shall notify Goodrich within five (5) business days regarding any deviations in rates, volumes and/or hours of operation in excess of the above.
 - c) WVWD must notify Goodrich seven (7) calendar days in advance of any longer term adjustments that are believed to be required for the safe and reliable operation of its water supply system, and shall work in good faith to minimize the impacts of such adjustments to Goodrich's goals of contaminant mass removal and groundwater plume containment.

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- 4) If there are any conflicts between this Appendix and the Agreement, the terms of the Agreement shall prevail.
- 5) When submitting any notice or requests for response pursuant to any section in this Appendix, the requesting party must include the specific section of this Appendix that it is referring to and the required response time.

APPENDIX C**Reimbursement Payments by Goodrich to WVWD****Pre-ROD Period O&M Cost Payments by Goodrich**

By November 1st of each year, WVWD shall provide Goodrich with an estimate of O&M Costs for the upcoming calendar year.

WVWD shall advise in writing the bank and account information to which Goodrich is to make electronic payments for O&M Costs.

Goodrich shall make quarterly deposits of one-quarter of the estimated annual O&M Costs (up to a maximum of \$175,000 quarterly) in the Pre-ROD Period. Deposits shall be made 15 days prior to the start of each quarter (January 1st, April 1st, July 1st and October 1st).

Any interest earned on monies deposited in the account shall be credited to Goodrich and may be used to offset future quarterly payments.

WVWD shall debit the account monthly.

WVWD shall provide itemized quarterly statements no later than 45 days after the end of each quarter. Backup must include: 1) Employee Names, 2) Labor Rates, 3) Labor Hours, 4) Unit Rates, 5) Unit Quantities 6) Copies of third party supplier and vendor invoices, and other pertinent information such that the statement can be reconciled.

WVWD shall provide an annual statement no later than 45 days after the end of each calendar year. If the proceeding years total O&M Costs (up to a maximum of \$700,000) exceeded the total of the quarterly payments, Goodrich shall deposit into the account the unpaid balance within 45 days. If the proceeding years total O&M Costs were less than the total of the quarterly payments, Goodrich may utilize the balance as a credit against the next quarterly O&M payment.

Goodrich can challenge any payments deducted by WVWD within thirty (30) days from receipt of WVWD quarterly statements, and if Goodrich prevails, Goodrich receives the full amount back plus ten percent (10%) interest. Such disputes are handled through the procedures set for in Article 6.

Full Reimbursement Period O&M Cost Payments by Goodrich

By November 1st of each year, WVWD shall prepare a water budget and a reimbursement budget, utilizing the prior year's baseline costs.

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Goodrich shall make quarterly deposits of one-quarter of the estimated annual O&M Costs in the Full Reimbursement Period into a mutually agreed upon account. Deposits shall be made 15 days prior to the start of each quarter (January 1st, April 1st, July 1st and October 1st).

Any interest earned on monies deposited in the account shall be credited to Goodrich and may be used to offset future quarterly payments. WVWD shall debit the account monthly.

WVWD shall provide itemized quarterly statements to Goodrich no later than 45 days after the end of each quarter. Backup must include: 1) Employee Names, 2) Labor Rates, 3) Labor Hours, 4) Unit Rates, 5) Unit Quantities 6) Copies of third party supplier and vendor invoices, and other pertinent information such that the statement can be reconciled.

WVWD shall provide an annual statement no later than 45 days after the end of each calendar year. If the proceeding years total O&M Costs exceeded the total of the quarterly payments, Goodrich shall deposit into the account the unpaid balance within 45 days. If the proceeding years total O&M Costs were less than the total of the quarterly payments, Goodrich may utilize the balance as a credit against the next quarterly O&M payment.

Goodrich can challenge any payments deducted by WVWD within thirty (30) days from receipt of WVWD quarterly statements, and if Goodrich prevails, Goodrich receives the full amount back plus ten percent (10%) interest. Such disputes are handled through the procedures set for in Article 6.

Non-Routine O&M Costs

WVWD shall advise in writing the bank and account information to which Goodrich is to make electronic payments for Non-Routine O&M Costs.

Goodrich shall make an initial payment of \$50,000 into this account within 45 days of execution of this agreement.

WVWD shall submit an itemized statement to Goodrich for any Non-Routine O&M Costs for which reimbursement is requested. Backup must include: 1) Employee Names, 2) Labor Rates, 3) Labor Hours, 4) Unit Rates, 5) Unit Quantities 6) Copies of third party supplier and vendor invoices, and other pertinent information such that the requested invoice amount can be reconciled.

Within 30 days of receipt of a statement for Non-Routine O&M Costs, Goodrich shall in writing either authorize WVWD to debit the Non-Routine O&M account for the requested amount or a provide written statement as to why the costs are not believed to constitute Non-Routine O&M Costs. Such disputed costs shall be handled through the procedures set for in Article 6.

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Whenever the balance in the Non-Routine O&M account falls below \$10,000, Goodrich shall within 45 days make a deposit to restore the balance of the account to a minimum of \$50,000.

Whenever the amount of an authorized Non-Routine O&M Cost is greater than the balance in the Non-Routine O&M account, Goodrich shall within 45 days make a deposit sufficient to cover the cost of the Non-Routine O&M Cost and to restore the post payment balance of the account to a minimum of \$50,000.

EXHIBIT B

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**FIRST AMENDMENT TO
ROCKETS, FIREWORKS AND FLARES SUPERFUND
SITE REMEDIATION AGREEMENT
BETWEEN
GOODRICH CORPORATION AND WEST VALLEY WATER DISTRICT**

THIS FIRST AMENDMENT TO ROCKETS, FIREWORKS AND FLARES SITE REMEDIATION AGREEMENT (the "Amendment")_ is effective as of January 1, 2023 (the "Amendment Effective Date") by and between GOODRICH COPORATION, a Delaware corporation with a place of business at 2730 West Tyvola Road, Charlotte, North Carolina ("Goodrich") and the WEST VALLEY WATER DISTRICT, a California public water district, with a place of business at 855 Baseline Road, Rialto, California ("WVWD")(Goodrich and WVWD each individually referred to as a "Party", and collectively referred to as the "Parties").

RECITALS

WHEREAS, the Parties entered into the Rockets, Fireworks and Flares Site Remediation Agreement effective as of January 1, 2014 (the "Agreement");

WHEREAS, Paragraph 3.1.2(g) of the Agreement provides Goodrich the option to pursue Additional Activities, and Goodrich has elected to pursue such option;

WHEREAS, Goodrich's currently anticipates that its Additional Activities will generally involve modifying certain of WVWD's infrastructure to extract and treat groundwater, including discontinuing the use of the FBR System without repayment of grant funds, replacing the FBR) System with WVWD's Ion Exchange (IX) Systems, and employing use of one or more of the Cactus Basin, Randall Basin and Mill Basin for certain discharges;

WHEREAS, the Parties believe that pursuit of Goodrich's Additional Activities merits certain minor modifications to, and clarifications of, the terms of the Agreement;

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. All capitalized defined terms used in this Amendment, unless defined herein, shall have the meanings and definitions set forth in the Agreement.
2. The Parties acknowledge and agree that the terms of this Amendment are intended to modify and clarify the Agreement as specified herein, and that all other terms of the Agreement shall remain unchanged and in full force and effect.

3. The Parties hereby acknowledge and agree that the US EPA issued the OU2 ROD on September 2, 2022, and that as a result of the terms of such OU2 ROD, and to address such OU2 ROD requirements, Goodrich has provided notice to WVWD that it has exercised its option to conduct Additional Activities. Such Additional Activities, which are subject to USEPA's approval and modification in the first instance and over the course of Goodrich's OU2 ROD implementation activities, are anticipated to include (1) utilization of WVWD's IX Systems located at the WVWD headquarters and adjacent to the Rialto high school to address groundwater extraction and treatment activities mandated by the OU2 ROD, and (2) employing use of one or more of the Cactus Basin, Randall Basin and Mill Basin for certain discharges. In the event that other or modified Additional Activities are later identified, the Parties shall cooperate in implementing such Additional Activities, and as necessary shall negotiate in good faith any subsequent amendment to the Agreement. The O&M Costs associated with any Additional Activities shall now also include pumping costs whenever such pumping does not result in potable water entering WVWD's potable system.
4. (a) In order to facilitate Goodrich's Additional Activities, WVWD has sought and obtained necessary approvals to discontinue the FXB System, and has agreed to use its reasonable best efforts to seek and obtain necessary approvals to discontinue the FBR System. The Parties shall coordinate and cooperate to prepare any agency or other submissions necessary to obtain any necessary approvals to discontinue use of the FBR System in a manner that does not impose financial penalties (e.g. grant repayment requirements) in connection with such discontinuation. The Parties acknowledge and agree that the provisions of the Agreement relating to the FXB System are no longer applicable, and that once approval to discontinue the use of the FBR System has been obtained, and transition to the WVWD IX Systems has been completed, the provisions in the Agreement relating to the FBR System, including the requirement for a minimum flow of 750 gallons per minute to the Wellhead Treatment Project, shall be applied to WVWD's IX System located at WVWD headquarters for such period as Goodrich is required by USEPA to extract and treat groundwater from Rialto-6.
 - (b) As part of the implementation of the specified Additional Activities, the Parties shall engage in the following activities:
 - (1) In order to obtain any necessary approvals to discontinue the FBR System, WVWD shall prepare and submit any necessary requests, reports and related materials to any relevant agencies. No later than fifteen (15) days prior to any submission, WVWD shall share drafts of such materials with Goodrich for review, and shall reasonably consider any Goodrich comments concerning such materials.
 - (2) Goodrich shall provide technical assistance to WVWD in preparing any necessary submissions.

- (3) Goodrich shall reimburse WVWD for all reasonable Project Costs associated with the preparation of any necessary submissions, including third party consulting services subject to advance notification to Goodrich,
 - (4) Goodrich shall make its reasonable best efforts to assist WVWD in reasonably minimizing any disruption to WVWD's operations in connection with the transition from the FBR System to the IX Systems, including minimizing the transition time associated with such process.
 - (5) The Parties acknowledge that Goodrich's Additional Activities are subject to review and approval by US EPA, and agree to reasonably cooperate in terms of coordinating actions necessary to obtain such approvals. WVWD agrees to participate in any filings or submissions necessary to implement the Additional Activities that involve activities or processes integral to the WVWD water system, including as an example the execution of applications for permits or other approvals from relevant stakeholders.
5. Paragraph 3.1.2(d)(i)(B) of the Agreement shall be deleted.
6. Appendix C, Full Reimbursement Period O&M Cost Payments by Goodrich, shall be modified by addition of the following to the end of the Section:

“O&M labor costs to be reimbursed by Goodrich shall be calculated as follows:

The total amount of documented labor costs (salary and benefits) associated with O&M of WVWD production wells, IX systems used to treat perchlorate, booster pump stations, valve stations, reservoirs, and associated SCADA systems shall be multiplied by a ratio of the number of WVWD production wells used by Goodrich divided by the total number of permitted and operational wells available to WVWD. The resulting amount shall then be reduced by 10% and shall constitute the amount to be reimbursed by Goodrich; provided, however, that in no case shall Goodrich be required to reimburse WVWD more than 12% of total O&M labor costs.”
7. In the event that WVWD is unsuccessful in obtaining the unconditional approval to discontinue use of the FBR System, the provisions of this Amendment shall be null and void except for Goodrich's reimbursement obligation set forth in Section 4.(b)(3), which shall remain in full force and effect for all costs incurred by WVWD until Goodrich provides written notice to WVWD to cease work as described in Section 4.(b); provided, that in the event that conditions are imposed by third parties on the discontinuation of the FBR System, Goodrich shall have the right but not the obligation to satisfy such conditions on WVWD's behalf, in which case the terms of this Amendment shall continue to be valid and in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the Amendment Effective Date.

WEST VALLEY WATER DISTRICT

By: _____
Name: Van Jew
Title: Acting General Manager
Date: _____
Hereunto Duly Authorized

REVIEWED AND APPROVED

By: _____
Name: Vincent C. Ewing
Title: Interim General Counsel
Date: _____

GOODRICH CORPORATION

By: _____
Name: _____
Title: _____
Date: _____
Hereunto Duly Authorized

EXHIBIT C

From: [Chang, Wei@Waterboards](mailto:Chang.We@Waterboards)
To: [Rangi, Aparjeet@Waterboards](mailto:Rangi.Aparjeet@Waterboards); [Joanne Chan](mailto:Joanne.Chan)
Subject: DDW supports FBR decommissioning
Date: Tuesday, February 14, 2023 6:14:11 PM
Attachments: [FBR Decommissioning.pdf](#)
[CDPH FBR Funding Agreement No. 84-10C15.pdf](#)

Aparjeet Rangi and Joanne Chan,

State Water Resources Control Board (SWRCB, formerly California Department of Public Health) awarded a \$10 million grant to West Valley Water District (WVWD) for the construction and installation of a fluidized bed biological reactor (FBR) water treatment system. The funding agreement is attached. SWRCB, Division of Drinking Water (DDW) permitted the FBR in 2016 and WVWD has been operating the FBR since then.

In a letter dated September 26, 2022 (attached), WVWD requests SWRCB consider approving the decommissioning of FBR. Reasons for this request can be found in the attached letter. SWRCB, Division of Financial Assistance (DFA) expressed interest in a statement of support from DDW for WVWD's request to decommission the FBR.

This email is inform DFA that DDW supports the request from WVWD to decommission the fluidized bed biological reactor (FBR) water treatment system.

Based on the experience working with WVWD on the operations of FBR, DDW understands the challenges and obstacles from operating the FBR, which is a very unique treatment system that utilizes biological treatment technology. The FBR is the first biological treatment system permitted in California and DDW understands that FBR decommissioning is a difficult decision that WVWD had to make. DDW has no objection to FBR decommissioning.

As the average perchlorate in Rialto Well 6 still exceeds 10 times of the Maximum Contaminant Level of 6 microgram per liter, treatment for perchlorate removal is required should WVWD need to operate Rialto Well 6. WVWD should consider repurposing FBR and utilizing other treatment (ex: ion exchange) to remove perchlorate from drinking water wells.

Please contact me with any questions or if you would like me to put this email in letter form. Thank you.

Wei H. Chang, P.E.

San Bernardino District Engineer

Division of Drinking Water

464 W 4th St. Ste 437, San Bernardino, CA 92401

Tel: (909) 383-6029 / Fax: (909) 383-4745

Wei.Chang@waterboards.ca.gov

PLEASE NOTE that for the foreseeable future our office staff will be teleworking. The most effective way of reaching me for the time being is through email; I will however be checking my voicemail daily.



Do you need to print this e-mail? Think twice and if yes, please print double sided or use recycled papers.

From: [Rangi, Aparjeet@Waterboards](mailto:Rangi.Aparjeet@Waterboards)
To: [Joanne Chan](mailto:Joanne.Chan)
Subject: FW: Rockets Fireworks and Flares Site - Rialto CA
Date: Tuesday, February 7, 2023 1:24:50 PM
Attachments: [image001.jpg](#)

Thanks
Aparjeet

From: Praskins, Wayne <Praskins.Wayne@epa.gov>
Sent: Monday, January 30, 2023 12:22 PM
To: Rangi, Aparjeet@Waterboards <Aparjeet.Rangi@Waterboards.ca.gov>
Subject: RE: Rockets Fireworks and Flares Site - Rialto CA

EXTERNAL:

Aparjeet -

In a letter dated September 26, 2022, West Valley Water District (WVWD) wrote to you requesting that the State Water Resources Control Board (SWRCB) approve the decommissioning of WVWD's fluidized bed biological reactor (FBR) water treatment system. We understand that the SWRCB supported the construction of the FBR with a \$10 million grant awarded in 2010, construction began in 2011, and the project began operation in 2016. The FBR system is complex, incorporating a de-aeration tank, two FBR tanks, two re-aeration units, two clarification/ filtration units, and a solids handling system.

You expressed interest in a statement of support from EPA for WVWD's request to decommission the FBR.

In a September 2, 2022, Record of Decision (ROD), EPA adopted a cleanup plan for the mid-basin operable unit at the Rockets, Fireworks, and Flares Superfund Site in the Rialto-Colton area in southern California. The ROD identifies the WVWD Headquarters location, where the FBR is located, as one of several possible sites for treatment of perchlorate-contaminated groundwater extracted from the "leading edge" of the cleanup. The ROD also identifies a second WVWD site near Rialto High School, where existing ion exchange systems are located, as a possible water treatment site.

As stated in the ROD, EPA supports the use of the existing ion exchange systems at Rialto High School for treatment of water from the leading edge area of the RFF Site, rather than the FBR. Our reasons are: i) the shorter distance from the planned groundwater extraction area to the Rialto High School location; ii) opposition expressed by the City of Rialto to a pipeline transporting contaminated water through the city; and iii) concerns about the long-term use of the FBR given its complexity and lower reliability compared to ion exchange.

Considering the above, we have no objections to decommissioning of the FBR. Please contact me

with any questions or if you would like me to put this email in letter form.

Wayne Praskins

U.S. Environmental Protection Agency Region 9

75 Hawthorne St.

San Francisco, CA 94105

415-972-3181
