

Groundwater Basin Adjudications

- San Fernando Basin – Judgment 650079
- Sylmar Basin – Judgment 650079
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ULARA: Judgement 650079

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JOHN A. CORCORAN County Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

THE CITY OF LOS ANGELES,)
)
) Plaintiff,)
)
) vs.)
)
) CITY OF SAN FERNANDO, et al.,)
)
) Defendants.)
)

No. 650079

JUDGMENT

There follows by consecutive paging a Table of Contents (pages i. to vi.), Recitals (page 1), Definitions and List of Attachments (pages 1 to 6), Designation of Parties (page 6), Declaration re Geology and Hydrology (pages 6 to 12), Declaration of Rights (pages 12 to 21), Injunctions (pages 21 to 23), Continuing Jurisdiction (page 23), Watermaster (pages 23 to 29), Physical Solution (pages 29 to 34), and Miscellaneous Provisions (pages 34 to 35), and Attachments (pages 36 to 46). Each and all of said several parts constitute a single integrated Judgment herein.

1 1. RECITALS

2 This matter was originally tried before the Honorable Edmund
3 M. Moor, without jury, commencing on March 1, 1966, and concluding
4 with entry of Findings, Conclusions and Judgment on March 14,
5 1968, after more than 181 trial days. Los Angeles appealed from
6 said judgment and the California Supreme Court, by unanimous
7 opinion, (14 Cal. 3d 199) reversed and remanded the case; after
8 trial of some remaining issues on remand, and consistent with the
9 opinion of the Supreme Court, and pursuant to stipulations, the
10 Court signed and filed Findings of Fact and Conclusions of Law.
11 Good cause thereby appearing,

12 IT IS ORDERED, ADJUDGED AND DECREED:

13
14 2. DEFINITIONS AND ATTACHMENTS

15 2.1 Definitions of Terms. As used in this Judgment, the
16 following terms shall have the meanings herein set forth:

17 [1] Basin or Ground Water Basin -- A subsurface geo-
18 logic formation with defined boundary conditions, containing
19 a ground water reservoir, which is capable of yielding a sig-
20 nificant quantity of ground water.

21 [2] Burbank -- Defendant City of Burbank.

22 [3] Crescenta Valley -- Defendant Crescenta Valley
23 County Water District.

24 [4] Colorado Aqueduct -- The aqueduct facilities and
25 system owned and operated by MWD for the importation of water
26 from the Colorado River to its service area.

27 [5] Deep Rock -- Defendant Evelyn M. Pendleton, dba
28 Deep Rock Artesian Water Company.

1 [6] Delivered Water -- Water utilized in a water supply
2 distribution system, including reclaimed water.

3 [7] Eagle Rock Basin -- The separate ground water basin
4 underlying the area shown as such on Attachment "A".

5 [8] Extract or Extraction -- To produce ground water,
6 or its production, by pumping or any other means.

7 [9] Fiscal Year -- July 1 through June 30 of the
8 following calendar year.

9 [10] Foremost -- Defendant Foremost Foods Company,
10 successor to defendant Sparkletts Drinking Water Corp.

11 [11] Forest Lawn -- Collectively, defendants Forest
12 Lawn Cemetery Association, Forest Lawn Company, Forest Lawn
13 Memorial-Park Association, and American Security and Fidelity
14 Corporation.

15 [12] Gage F-57 -- The surface stream gaging station
16 operated by Los Angeles County Flood Control District and
17 situated in Los Angeles Narrows immediately upstream from the
18 intersection of the Los Angeles River and Arroyo Seco, at
19 which point the surface outflow from ULARA is measured.

20 [13] Glendale -- Defendant City of Glendale.

21 [14] Ground Water -- Water beneath the surface of the
22 ground and within the zone of saturation.

23 [15] Hersch & Plumb -- Defendants David and Eleanor A.
24 Hersch and Gerald B. and Lucille Plumb, successors to
25 Wellesley and Duckworth defendants.

26 [16] Import Return Water -- Ground water derived from
27 percolation attributable to delivered imported water.

28 [17] Imported Water -- Water used within ULARA, which

1 is derived from sources outside said watershed. Said term
2 does not include inter-basin transfers wholly within ULARA.

3 [18] In Lieu Storage -- The act of accumulating ground
4 water in a basin by intentional reduction of extractions of
5 ground water which a party has a right to extract.

6 [19] Lockheed -- Defendant Lockheed Aircraft Corporation.

7 [20] Los Angeles -- Plaintiff City of Los Angeles,
8 acting by and through its Department of Water and Power.

9 [21] Los Angeles Narrows -- The physiographic area
10 northerly of Gage F-57 bounded on the east by the San Rafael
11 and Repetto Hills and on the west by the Elysian Hills,
12 through which all natural outflow of the San Fernando Basin
13 and the Los Angeles River flow en route to the Pacific Ocean.

14 [22] MWD -- The Metropolitan Water District of Southern
15 California, a public agency of the State of California.

16 [23] Native Safe Yield -- That portion of the safe
17 yield of a basin derived from native waters.

18 [24] Native Waters -- Surface and ground waters derived
19 from precipitation within ULARA.

20 [25] Overdraft -- A condition which exists when the
21 total annual extractions of ground water from a basin exceed
22 its safe yield, and when any temporary surplus has been
23 removed.

24 [26] Owens-Mono Aqueduct -- The aqueduct facilities
25 owned and operated by Los Angeles for importation to ULARA
26 water from the Owens River and Mono Basin watersheds easterly
27 of the Sierra-Nevada in Central California.

28 [27] Private Defendants -- Collectively, all of those

1 defendants who are parties, other than Glendale, Burbank, San
2 Fernando and Crescenta Valley.

3 [28] Reclaimed Water -- Water which, as a result of
4 processing of waste water, is made suitable for and used for
5 a controlled beneficial use.

6 [29] Regulatory Storage Capacity -- The volume of
7 storage capacity of San Fernando Basin which is required to
8 regulate the safe yield of the basin, without significant
9 loss, during any long-term base period of water supply.

10 [30] Rising Water -- The effluent from a ground water
11 basin which appears as surface flow.

12 [31] Rising Water Outflow -- The quantity of rising
13 water which occurs within a ground water basin and does not
14 rejoin the ground water body or is not captured prior to
15 flowing past a point of discharge from the basin.

16 [32] Safe Yield -- The maximum quantity of water which
17 can be extracted annually from a ground water basin under a
18 given set of cultural conditions and extraction patterns,
19 based on the long-term supply, without causing a continuing
20 reduction of water in storage.

21 [33] San Fernando -- Defendant City of San Fernando.

22 [34] San Fernando Basin -- The separate ground water
23 basin underlying the area shown as such on Attachment "A".

24 [35] Sportsman's Lodge -- Defendant Sportsman's Lodge
25 Banquet Association.

26 [36] Stored Water -- Ground water in a basin consisting
27 of either (1) imported or reclaimed water which is inten-
28 tionally spread, or (2) safe yield water which is allowed to

1 accumulate by In Lieu Storage. Said ground waters are dis-
2 tinguished and separately accounted for in a ground water
3 basin, notwithstanding that the same may be physically com-
4 mingled with other waters in the basin.

5 [37] Sylmar Basin -- The separate ground water basin
6 underlying the area indicated as such on Attachment "A".

7 [38] Temporary Surplus -- The amount of ground water
8 which would be required to be removed from a basin in order
9 to avoid waste under safe yield operation.

10 [39] Toluca Lake -- Defendant Toluca Lake Property
11 Owners Association.

12 [40] ULARA or Upper Los Angeles River Area -- The Upper
13 Los Angeles River watershed, being the surface drainage area
14 of the Los Angeles River tributary to Gage F-57.

15 [41] Underlying Pueblo Waters -- Native ground waters
16 in the San Fernando Basin which underlie safe yield and
17 stored waters.

18 [42] Valhalla -- Collectively, Valhalla Properties,
19 Valhalla Memorial Park, Valhalla Mausoleum Park.

20 [43] Van de Kamp -- Defendant Van de Kamp's Holland
21 Dutch Bakers, Inc.

22 [44] Verdugo Basin -- The separate ground water basin
23 underlying the area shown as such on Attachment "A".

24 [45] Water Year -- October 1 through September 30 of
25 the following calendar year.

26 Geographic Names, not herein specifically defined, are used to
27 refer to the places and locations thereof as shown on Attachment "A".

28 2.2 List of Attachments. There are attached hereto the .

1 following documents, which are by this reference incorporated in
2 this Judgment and specifically referred to in the text hereof:

3 "A" -- Map entitled "Upper Los Angeles River Area",
4 showing Separate Basins therein.

5 "B" -- List of "Dismissed Parties."

6 "C" -- List of "Defaulted Parties."

7 "D" -- List of "Disclaiming Parties."

8 "E" -- List of "Prior Stipulated Judgments."

9 "F" -- List of "Stipulated Non-Consumptive or Minimal-
10 Consumptive Use Practices."

11 "G" -- Map entitled "Place of Use and Service Area of
12 Private Defendants."

13 "H" -- Map entitled "Public Agency Water Service Areas."
14

15 3. PARTIES

16 3.1 Defaulting and Disclaiming Defendants. Each of the
17 defendants listed on Attachment "C" and Attachment "D" is without
18 any right, title or interest in, or to any claim to extract ground
19 water from ULARA or any of the separate ground water basins therein.

20 3.2 No Rights Other Than as Herein Declared. No party to
21 this action has any rights in or to the waters of ULARA except to
22 the extent declared herein.
23

24 4. DECLARATION RE GEOLOGY AND HYDROLOGY

25 4.1 Geology.

26 4.1.1 ULARA. ULARA (or Upper Los Angeles River Area),
27 is the watershed or surface drainage area tributary to the
28 Los Angeles River at Gage F-57. Said watershed contains a

1 total of 329,000 acres, consisting of approximately 123,000
2 acres of valley fill area and 206,000 acres of hill and
3 mountain area, located primarily in the County of Los Angeles,
4 with a small portion in the County of Ventura. Its boundaries
5 are shown on Attachment "A". The San Gabriel Mountains form
6 the northerly portion of the watershed, and from them two
7 major washes--the Pacoima and the Tujunga--discharge southerly
8 Tujunga Wash traverses the valley fill in a southerly direc-
9 tion and joins the Los Angeles River, which follows an east-
10 erly course along the base of the Santa Monica Mountains
11 before it turns south through the Los Angeles Narrows. The
12 waters of Pacoima Wash as and when they flow out of Sylmar
13 Basin are tributary to San Fernando Basin. Lesser tributary
14 washes run from the Simi Hills and the Santa Susana Mountains
15 in the westerly portion of the watershed. Other minor washes,
16 including Verdugo Wash, drain the easterly portion of the
17 watershed which consists of the Verdugo Mountains, the Elysian,
18 San Rafael and Repetto Hills. Each of said washes is a non-
19 perennial stream whose flood flows and rising waters are
20 naturally tributary to the Los Angeles River. The Los Angeles
21 River within ULARA and most of said tributary natural washes
22 have been replaced, and in some instances relocated, by
23 concrete-lined flood control channels. There are 85.3 miles
24 of such channels within ULARA, 62% of which have lined con-
25 crete bottoms.

26 4.1.2 San Fernando Basin. San Fernando Basin is the
27 major ground water basin in ULARA. It underlies 112,047 acres
28 and is located in the area shown as such on Attachment "A".

1 Boundary conditions of the San Fernando Basin consist on the
2 east and northeast of alluvial contacts with non-waterbearing
3 series along the San Rafael Hills and Verdugo Mountains and
4 the Santa Susana Mountains and Simi Hills on the northwest and
5 west and the Santa Monica Mountains on the south. Water-
6 bearing material in said basin extends to at least 1000 feet
7 below the surface. Rising water outflow from the San Fernando
8 Basin passes its downstream and southerly boundary in the
9 vicinity of Gage F-57, which is located in Los Angeles Narrows
10 about 300 feet upstream from the Figueroa Street (Dayton
11 Street) Bridge. The San Fernando Basin is separated from the
12 Sylmar Basin on the north by the eroded south limb of the
13 Little Tujunga Syncline which causes a break in the ground
14 water surface of about 40 to 50 feet.

15 4.1.3 Sylmar Basin. Sylmar Basin underlies 5,565 acres
16 and is located in the area shown as such on Attachment "A".
17 Water-bearing material in said basin extends to depths in ex-
18 cess of 12,000 feet below the surface. Boundary conditions of
19 Sylmar Basin consist of the San Gabriel Mountains on the north,
20 a topographic divide in the valley fill between the Mission
21 Hills and San Gabriel Mountains on the west, the Mission Hills
22 on the southwest, Upper Lopez Canyon Saugus Formation on the
23 east, along the east bank of Pacoima Wash, and the eroded
24 south limb of the Little Tujunga Syncline on the south.

25 4.1.4 Verdugo Basin. Verdugo Basin underlies 4,400 acres
26 and is located in the area shown as such on Attachment "A".
27 Boundary conditions of Verdugo Basin consist of the San
28 Gabriel Mountains on the north, the Verdugo Mountains on the

1 south and southwest, the San Rafael Hills on the southeast and
2 the topographic divide on the east between the drainage area
3 that is tributary to the Tujunga Wash to the west and Verdugo
4 Wash to the east, the ground water divide on the west between
5 Monk Hill-Raymond Basin and the Verdugo Basin on the east and
6 a submerged dam constructed at the mouth of Verdugo Canyon on
7 the south.

8 4.1.5 Eagle Rock Basin. Eagle Rock Basin underlies 807
9 acres and is located in the area shown as such on Attachment
10 "A". Boundary conditions of Eagle Rock Basin consist of the
11 San Rafael Hills on the north and west and the Repetto Hills
12 on the east and south with a small alluvial area to the
13 southeast consisting of a topographic divide.

14 4.2 Hydrology.

15 4.2.1 Water Supply. The water supply of ULARA consists
16 of native waters, derived from precipitation on the valley
17 floor and runoff from the hill and mountain areas, and of im-
18 ported water from outside the watershed. The major source of
19 imported water has been from the Owens-Mono Aqueduct, but
20 additional supplies have been and are now being imported
21 through MWD from its Colorado Aqueduct and the State Aqueduct.

22 4.2.2 Ground Water Movement. The major water-bearing
23 formation in ULARA is the valley fill material bounded by
24 hills and mountains which surround it. Topographically, the
25 valley-fill area has a generally uniform grade in a southerly
26 and easterly direction with the slope gradually decreasing
27 from the base of the hills and mountains to the surface
28 drainage outlet at Gage F-57. The valley fill material is a

1 heterogeneous mixture of clays, silts, sand and gravel laid
2 down as alluvium. The valley fill is of greatest permeability
3 along and easterly of Pacoima and Tujunga Washes and generally
4 throughout the eastern portion of the valley fill area,
5 except in the vicinity of Glendale where it is of lesser
6 permeability. Ground water occurs mainly within the valley
7 fill, with only negligible amounts occurring in hill and
8 mountain areas. There is no significant ground water movement
9 from the hill and mountain formations into the valley fill.
10 Available geologic data do not indicate that there are any
11 sources of native ground water other than those derived from
12 precipitation. Ground water movement in the valley fill
13 generally follows the surface topography and drainage except
14 where geologic or man-made impediments occur or where the
15 natural flow has been modified by extensive pumping.

16 4.2.3 Separate Ground Water Basins. The physical and
17 geologic characteristics of each of the ground water basins,
18 Eagle Rock, Sylmar, Verdugo and San Fernando, cause impedi-
19 ments to inter-basin ground water flow whereby there is
20 created separate underground reservoirs. Each of said basins
21 contains a common source of water supply to parties extracting
22 ground water from each of said basins. The amount of under-
23 flow from Sylmar Basin, Verdugo Basin and Eagle Rock Basin to
24 San Fernando Basin is relatively small, and on the average has
25 been approximately 540 acre feet per year from the Sylmar
26 Basin; 80 acre feet per year from Verdugo Basin; and 50 acre
27 feet per year from Eagle Rock Basin. Each has physiographic,
28 geologic and hydrologic differences, one from the other, and

1 each meets the hydrologic definition of "basin." The ex-
2 tractions of water in the respective basins affect the other
3 water users within that basin but do not significantly or
4 materially affect the ground water levels in any of the other
5 basins. The underground reservoirs of Eagle Rock, Verdugo and
6 Sylmar Basins are independent of one another and of the San
7 Fernando Basin.

8 4.2.4 Safe Yield and Native Safe Yield. The safe yield
9 and native safe yield, stated in acre feet, of the three
10 largest basins for the year 1964-65 was as follows:

11 <u>Basin</u>	<u>Safe Yield</u>	<u>Native Safe Yield</u>
12 San Fernando	90,680	43,660
13 Sylmar	6,210	3,850
14 Verdugo	7,150	3,590

15 The safe yield of Eagle Rock Basin is derived from imported
16 water delivered by Los Angeles. There is no measurable
17 native safe yield.

18 4.2.5 Separate Basins -- Separate Rights. The rights
19 of the parties to extract ground water within ULARA are
20 separate and distinct as within each of the several ground
21 water basins within said watershed.

22 4.2.6 Hydrologic Condition of Basins. The several
23 basins within ULARA are in varying hydrologic conditions,
24 which result in different legal consequences.

25 4.2.6.1 San Fernando Basin. The first full year
26 of overdraft in San Fernando Basin was 1954-55. It
27 remained in overdraft continuously until 1968, when an
28 injunction herein became effective. Thereafter, the

1 basin was placed on safe yield operation. There is no
2 surplus ground water available for appropriation or
3 overlying use from San Fernando Basin.

4 4.2.6.2 Sylmar Basin. Sylmar Basin is not in
5 overdraft. There remains safe yield over and above the
6 present reasonable beneficial overlying uses, from which
7 safe yield the appropriative rights of Los Angeles and
8 San Fernando may be and have been exercised.

9 4.2.6.3 Verdugo Basin. Verdugo Basin was in
10 overdraft for more than five consecutive years prior to
11 1968. Said basin is not currently in overdraft, due to
12 decreased extractions by Glendale and Crescenta Valley on
13 account of poor water quality. However, the combined
14 appropriative and prescriptive rights of Glendale and
15 Crescenta Valley are equivalent to the safe yield of the
16 Basin. No private overlying or appropriative rights
17 exist in Verdugo Basin.

18 4.2.6.4 Eagle Rock Basin. The only measurable
19 water supply to Eagle Rock Basin is import return water
20 by reason of importations by Los Angeles. Extractions by
21 Foremost and Deep Rock under the prior stipulated
22 judgments have utilized the safe yield of Eagle Rock
23 Basin, and have maintained hydrologic equilibrium
24 therein.

25 26 5. DECLARATION OF RIGHTS

27 5.1 Right to Native Waters.

28 5.1.1 Los Angeles River and San Fernando Basin.

1 5.1.1.1 Los Angeles' Pueblo Right. Los Angeles,
2 as the successor to all rights, claims and powers of the
3 Spanish Pueblo de Los Angeles in regard to water rights,
4 is the owner of a prior and paramount pueblo right to the
5 surface waters of the Los Angeles River and the native
6 ground waters of San Fernando Basin to meet its reason-
7 able beneficial needs and for its inhabitants.

8 5.1.1.2 Extent of Pueblo Right. Pursuant to said
9 pueblo right, Los Angeles is entitled to satisfy its
10 needs and those of its inhabitants within its boundaries
11 as from time to time modified. Water which is in fact
12 used for pueblo right purposes is and shall be deemed
13 needed for such purposes.

14 5.1.1.3 Pueblo Right -- Nature and Priority of
15 Exercise. The pueblo right of Los Angeles is a prior and
16 paramount right to all of the surface waters of the Los
17 Angeles River, and native ground water in San Fernando
18 Basin, to the extent of the reasonable needs and uses of
19 Los Angeles and its inhabitants throughout the corporate
20 area of Los Angeles, as its boundaries may exist from
21 time to time. To the extent that the Basin contains
22 native waters and imported waters, it is presumed that
23 the first water extracted by Los Angeles in any water
24 year is pursuant to its pueblo right, up to the amount
25 of the native safe yield. The next extractions by Los
26 Angeles in any year are deemed to be from import return
27 water, followed by stored water, to the full extent of
28 Los Angeles' right to such import return water and stored

1 water. In the event of need to meet water requirements
2 of its inhabitants, Los Angeles has the additional right,
3 pursuant to its pueblo right, withdraw temporarily from
4 storage Underlying Pueblo Waters, subject to an obliga-
5 tion to replace such water as soon as practical.

6 5.1.1.4 Rights of Other Parties. No other party
7 to this action has any right in or to the surface waters
8 of the Los Angeles River or the native safe yield of the
9 San Fernando Basin.

10 5.1.2 Sylmar Basin Rights.

11 5.1.2.1 No Pueblo Rights. The pueblo right of
12 Los Angeles does not extend to or include ground waters
13 in Sylmar Basin.

14 5.1.2.2 Overlying Rights. Defendants Moordigian
15 and Hersch & Plumb own lands overlying Sylmar Basin and
16 have a prior correlative right to extract native waters
17 from said Basin for reasonable beneficial uses on their
18 said overlying lands. Said right is appurtenant to said
19 overlying lands and water extracted pursuant thereto may
20 not be exported from said lands nor can said right be
21 transferred or assigned separate and apart from said
22 overlying lands.

23 5.1.2.3 Appropriative Rights of San Fernando
24 and Los Angeles. San Fernando and Los Angeles own
25 appropriative rights, of equal priority, to extract and
26 put to reasonable beneficial use for the needs of said
27 cities and their inhabitants, native waters of the
28 Sylmar Basin in excess of the exercised reasonable

1 beneficial needs of overlying users. Said appropriative
2 rights are:

3 San Fernando 3,580 acre feet

4 Los Angeles 1,560 acre feet.

5 5.1.2.4 No Prescription. The Sylmar Basin is not
6 presently in a state of overdraft and no rights by
7 prescription exist in said Basin against any overlying
8 or appropriative water user.

9 5.1.2.5 Other Parties. No other party to this
10 action owns or possesses any right to extract native
11 ground waters from the Sylmar Basin.

12 5.1.3 Verdugo Basin Rights.

13 5.1.3.1 No Pueblo Rights. The pueblo right of
14 Los Angeles does not extend to or include ground water
15 in Verdugo Basin.

16 5.1.3.2 Prescriptive Rights of Glendale and
17 Crescenta Valley. Glendale and Crescenta Valley own
18 prescriptive rights as against each other and against
19 all private overlying or appropriative parties in the
20 Verdugo Basin to extract, with equal priority, the
21 following quantities of water from the combined safe
22 yield of native and imported waters in Verdugo Basin:

23 Glendale 3,856 acre feet

24 Crescenta Valley 3,294 acre feet.

25 5.1.3.3 Other Parties. No other party to this
26 action owns or possesses any right to extract native
27 ground waters from the Verdugo Basin.

1 5.1.4 Eagle Rock Basin Rights.

2 5.1.4.1 No Pueblo Rights. The pueblo right of
3 Los Angeles does not extend to or include ground water
4 in Eagle Rock Basin.

5 5.1.4.2 No Rights in Native Waters. The Eagle
6 Rock Basin has no significant or measurable native safe
7 yield and no parties have or assert any right or claim
8 to native waters in said Basin.

9 5.2 Rights to Imported Waters.

10 5.2.1 San Fernando Basin Rights.

11 5.2.1.1 Rights to Recapture Import Return Water.
12 Los Angeles, Glendale, Burbank and San Fernando have each
13 caused imported waters to be brought into ULARA and to be
14 delivered to lands overlying the San Fernando Basin, with
15 the result that percolation and return flow of such
16 delivered water has caused imported waters to become a
17 part of the safe yield of San Fernando Basin. Each of
18 said parties has a right to extract from San Fernando
19 Basin that portion of the safe yield of the Basin attri-
20 butable to such import return waters.

21 5.2.1.2 Rights to Store and Recapture Stored
22 Water. Los Angeles has heretofore spread imported water
23 directly in San Fernando Basin. Los Angeles, Glendale,
24 Burbank and San Fernando each have rights to store water
25 in San Fernando Basin by direct spreading or in lieu
26 practices. To the extent of any future spreading or in
27 lieu storage of import water or reclaimed water by Los
28 Angeles, Glendale, Burbank or San Fernando, the party

1 causing said water to be so stored shall have a right to
2 extract an equivalent amount of ground water from San
3 Fernando Basin. The right to extract waters attributable
4 to such storage practices is an undivided right to a
5 quantity of water in San Fernando Basin equal to the
6 amount of such Stored Water to the credit of any party,
7 as reflected in Watermaster records.

8 5.2.1.3 Calculation of Import Return Water and
9 Stored Water Credits. The extraction rights of Los
10 Angeles, Glendale, Burbank and San Fernando in San
11 Fernando Basin in any year, insofar as such rights are
12 based upon import return water, shall only extend to the
13 amount of any accumulated import return water credit of
14 such party by reason of imported water delivered after
15 September 30, 1977. The annual credit for such import
16 return water shall be calculated by Watermaster based
17 upon the amount of delivered water during the preceding
18 water year, as follows:

19	Los Angeles:	20.8% of all delivered water (including reclaimed water) to 20 valley fill lands of San 21 Fernando Basin.
22	San Fernando:	26.3% of all imported and reclaimed water delivered to 23 valley-fill lands of San Fernando Basin.
24	Burbank:	20.0% of all delivered water (including reclaimed water) to 25 San Fernando Basin and its 26 tributary hill and mountain areas.

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Glendale: 20.0% of all delivered water (including reclaimed water) to San Fernando Basin and its tributary hill and mountain areas (i.e., total delivered water, [including reclaimed water], less 105% of total sales by Glendale in Verdugo Basin and its tributary hills).

In calculating Stored Water credit, by reason of direct spreading of imported or reclaimed water, Watermaster shall assume that 100% of such spread water reached the ground water in the year spread.

5.2.1.4 Cummulative Import Return Water Credits.

Any import return water which is not extracted in a given water year shall be carried over, separately accounted for, and maintained as a cummulative credit for purposes of future extractions.

5.2.1.5 Overextractions.

In addition to extractions of stored water, Glendale, Burbank or San Fernando may, in any water year, extract from San Fernando Basin an amount not exceeding 10% of such party's last annual credit for import return water, subject, however, to an obligation to replace such overextraction by reduced extractions during the next succeeding water year. Any such overextraction which is not so replaced shall constitute physical solution water, which shall be deemed to have been extracted in said subsequent water year.

5.2.1.6 Private Defendant.

No private defendant is entitled to extract water from the San Fernando Basin on account of the importation of water thereto by overlying public entities.

1 5.2.2 Sylmar Basin Rights.

2 5.2.2.1 Rights to Recapture Import Return Waters.

3 Los Angeles and San Fernando have caused imported waters
4 to be brought into ULARA and delivered to lands overlying
5 the Sylmar Basin with the result that percolation and re-
6 turn flow of such delivered water has caused imported
7 waters to become a part of the safe yield of Sylmar Basin.
8 Los Angeles and San Fernando are entitled to recover from
9 Sylmar Basin such imported return waters. In calculating
10 the annual entitlement to recapture such import return
11 water, Los Angeles and San Fernando shall be entitled to
12 35.7% of the preceding water year's imported water de-
13 livered by such party to lands overlying Sylmar Basin.
14 Thus, by way of example, in 1976-77, Los Angeles was
15 entitled to extract 2370 acre feet of ground water from
16 Sylmar Basin, based on delivery to lands overlying said
17 Basin of 6640 acre feet during 1975-76. The quantity of
18 San Fernando's imported water to, and the return flow
19 therefrom, in the Sylmar Basin in the past has been of
20 such minimal quantities that it has not been calculated.

21 5.2.2.2 Rights to Store and Recapture Stored
22 Water. Los Angeles and San Fernando each have the right
23 to store water in Sylmar Basin equivalent to their rights
24 in San Fernando Basin under paragraph 5.2.1.2 hereof.

25 5.2.2.3 Carry Over. Said right to recapture
26 stored water, import return water and other safe yield
27 waters to which a party is entitled, if not exercised in
28 a given year, can be carried over for not to exceed five

1 years, if the underflow through Sylmar Notch does not
2 exceed 400 acre feet per year.

3 5.2.2.4 Private Defendants. No private defendant
4 is entitled to extract water from within the Sylmar Basin
5 on account of the importation of water thereto by over-
6 lying public entities.

7 5.2.3 Verdugo Basin Rights.

8 5.2.3.1 Glendale and Crescenta Valley. Glendale
9 and Crescenta Valley own appropriative and prescriptive
10 rights in and to the total safe yield of Verdugo Basin,
11 without regard as to the portions thereof derived from
12 native water and from delivered imported waters, notwith-
13 standing that both of said parties have caused waters to
14 be imported and delivered on lands overlying Verdugo
15 Basin. Said aggregate rights are as declared in Para-
16 graph 5.1.3.2 of these Conclusions.

17 5.2.3.2 Los Angeles. Los Angeles may have a
18 right to recapture its import return waters by reason of
19 delivered import water in the Basin, based upon imports
20 during and after water year 1977-78, upon application to
21 Watermaster not later than the year following such im-
22 port and on subsequent order after hearing by the Court.

23 5.2.3.3 Private Defendants. No private defendant,
24 as such, is entitled to extract water from within the
25 Verdugo Basin on account of the importation of water
26 thereto by overlying public entities.

27 5.2.4 Eagle Rock Basin Rights.

28 5.2.4.1 Los Angeles. Los Angeles has caused

1 imported water to be delivered for use on lands overlying
2 Eagle Rock Basin and return flow from said delivered
3 imported water constitutes the entire safe yield of Eagle
4 Rock Basin. Los Angeles has the right to extract or
5 cause to be extracted the entire safe yield of Eagle Rock
6 Basin.

7 5.2.4.2 Private Defendants. No private defend-
8 ants have a right to extract water from within Eagle Rock
9 Basin, except pursuant to the physical solution herein.

10 11 6. INJUNCTIONS

12 Each of the parties named or referred to in this Part 6, its
13 officers, agents, employees and officials is, and they are, hereby
14 ENJOINED and RESTRAINED from doing or causing to be done any of the
15 acts herein specified:

16 6.1 Each and Every Defendant -- from diverting the surface
17 waters of the Los Angeles River or extracting the native waters of
18 SAN FERNANDO BASIN, or in any manner interfering with the prior and
19 paramount pueblo right of Los Angeles in and to such waters,
20 except pursuant to the physical solution herein decreed.

21 6.2 Each and Every Private Defendant -- from extracting
22 ground water from the SAN FERNANDO, VERDUGO, or EAGLE ROCK BASINS,
23 except pursuant to physical solution provisions hereof.

24 6.3 Defaulting and Disclaiming Parties (listed in Attachments
25 "C" and "D") -- from diverting or extracting water within ULARA,
26 except pursuant to the physical solution herein decreed.

27 6.4 Glendale -- from extracting ground water from SAN
28 FERNANDO BASIN in any water year in quantities exceeding its

1 import return water credit and any stored water credit, except
2 pursuant to the physical solution; and from extracting water from
3 VERDUGO BASIN in excess of its appropriative and prescriptive right
4 declared herein.

5 6.5 Burbank -- from extracting ground water from SAN FERNANDO
6 BASIN in any water year in quantities exceeding its import return
7 water credit and any stored water credit, except pursuant to the
8 physical solution decreed herein.

9 6.6 San Fernando -- from extracting ground water from SAN
10 FERNANDO BASIN in any water year in quantities exceeding its
11 import return water credit and any stored water credit, except
12 pursuant to the physical solution herein decreed.

13 6.7 Crescenta Valley -- from extracting ground water from
14 VERDUGO BASIN in any year in excess of its appropriative and
15 prescriptive right declared herein.

16 6.8 Los Angeles -- from extracting ground water from SAN
17 FERNANDO BASIN in any year in excess of the native safe yield,
18 plus any import return water credit and stored water credit of said
19 city; provided, that where the needs of Los Angeles require the
20 extraction of Underlying Pueblo Waters, Los Angeles may extract
21 such water subject to an obligation to replace such excess as soon
22 as practical; and from extracting ground water from VERDUGO BASIN
23 in excess of any credit for import return water which Los Angeles
24 may acquire by reason of delivery of imported water for use over-
25 lying said basin, as hereinafter confirmed on application to
26 Watermaster and by subsequent order of the Court.

27 6.9 Non-consumptive and Minimal Consumptive Use Parties.

28 The parties listed in Attachment "F" are enjoined from extracting

1 water from San Fernando Basin, except in accordance with practices
2 specified in Attachment "F", or pursuant to the physical solution herein decreed.

4 7. CONTINUING JURISDICTION

5 7.1 Jurisdiction Reserved. Full jurisdiction, power and
6 authority are retained by and reserved to the Court for purposes of
7 enabling the Court upon application of any party or of the Water-
8 master by motion and upon at least 30 days' notice thereof, and
9 after hearing thereon, to make such further or supplemental orders
10 or directions as may be necessary or appropriate, for interpreta-
11 tion, enforcement or carrying out of this Judgment, and to modify,
12 amend or amplify any of the provisions of this Judgment or to add
13 to the provisions thereof consistent with the rights herein decreed;
14 provided, however, that no such modification, amendment or ampli-
15 fication shall result in a change in the provisions of Section
16 5.2.1.3 or 9.2.1 hereof.

18 8. WATERMASTER

19 8.1 Designation and Appointment.

20 8.1.1 Watermaster Qualification and Appointment. A
21 qualified hydrologist, acceptable to all active public agency
22 parties hereto, will be appointed by subsequent order of the
23 Court to assist the Court in its administration and enforce-
24 ment of the provisions of this Judgment and any subsequent
25 orders of the Court entered pursuant to the Court's continuing
26 jurisdiction. Such Watermaster shall serve at the pleasure of
27 the Court, but may be removed or replaced on motion of any
28 party after hearing and showing of good cause.

1 8.2 Powers and Duties.

2 8.2.1 Scope. Subject to the continuing supervision and
3 control of the Court, Watermaster shall exercise the express
4 powers, and shall perform the duties, as provided in this
5 Judgment or hereafter ordered or authorized by the Court in
6 the exercise of the Court's continuing jurisdiction.

7 8.2.2 Requirement for Reports, Information and Records.
8 Watermaster may require any party to furnish such reports,
9 information and records as may be reasonably necessary to
10 determine compliance or lack of compliance by any party with
11 the provisions of this Judgment.

12 8.2.3 Requirement of Measuring Devices. Watermaster
13 shall require all parties owning or operating any facilities
14 for extraction of ground water from ULARA to install and
15 maintain at all times in good working order, at such party's
16 own expense, appropriate meters or other measuring devices
17 satisfactory to the Watermaster.

18 8.2.4 Inspection by Watermaster. Watermaster shall make
19 inspections of (a) ground water extraction facilities and
20 measuring devices of any party, and (b) water use practices by
21 any party under physical solution conditions, at such times
22 and as often as may be reasonable under the circumstances to
23 verify reported data and practices of such party. Watermaster
24 shall also identify and report on any new or proposed new
25 ground water extractions by any party or non-party.

26 8.2.5 Policies and Procedures. Watermaster shall, with
27 the advice and consent of the Administrative Committee, adopt
28 and amend from time to time Policies and Procedures as may be

1 reasonably necessary to guide Watermaster in performance of
2 its duties, powers and responsibilities under the provisions
3 of this judgment.

4 8.2.6 Data Collection. Watermaster shall collect and
5 verify data relative to conditions of ULARA and its ground
6 water basins from the parties and one or more other govern-
7 mental agencies. Where necessary, and upon approval of the
8 Administrative Committee, Watermaster may develop supplemental
9 data.

10 8.2.7 Cooperation With Other Agencies. Watermaster may
11 act jointly or cooperate with agencies of the United States
12 and the State of California or any political subdivisions,
13 municipalities or districts (including any party) to secure or
14 exchange data to the end that the purpose of this Judgment,
15 including its physical solution, may be fully and economically
16 carried out.

17 8.2.8 Accounting for Non-consumptive Use. Watermaster
18 shall calculate and report annually the non-consumptive and
19 consumptive uses of extracted ground water by each party
20 listed in Attachment "F."

21 8.2.9 Accounting for Accumulated Import Return Water
22 and Stored Water. Watermaster shall record and verify addi-
23 tions, extractions and losses and maintain an annual and
24 cumulative account of all (a) stored water and (b) import
25 return water in San Fernando Basin. Calculation of losses
26 attributable to Stored Water shall be approved by the Adminis-
27 trative Committee or by subsequent order of the Court. For
28 purposes of such accounting, extractions in any water year by

1 Glendale, Burbank or San Fernando shall be assumed to be first
2 from accumulated import return water, second from stored
3 water, and finally pursuant to physical solution; provided,
4 that any such city may, by written notice of intent to Water-
5 master, alter said priority of extractions as between import
6 return water and stored water.

7 8.2.10 Recalculation of Safe Yield. Upon request of the
8 Administrative Committee, or on motion of any party and sub-
9 sequent Court order, Watermaster shall recalculate safe yield
10 of any basin within ULARA. If there has been a material long-
11 term change in storage over a base period (excluding any
12 effects of stored water) in San Fernando Basin the safe yield
13 shall be adjusted by making a corresponding change in native
14 safe yield of the Basin.

15 8.2.11 Watermaster Report. Watermaster shall prepare
16 annually and (after review and approval by Administrative
17 Committee) cause to be served on all active parties, on or
18 before May 1, a report of hydrologic conditions and Water-
19 master activities within ULARA during the preceding water
20 year. Watermaster's annual report shall contain such infor-
21 mation as may be requested by the Administrative Committee,
22 required by Watermaster Policies and Procedures or specified
23 by subsequent order of this Court.

24 8.2.12 Active Party List. Watermaster shall maintain at
25 all times a current list of active parties and their addresses.

26 8.3 Administrative Committee.

27 8.3.1 Committee to be Formed. An Administrative Commit-
28 tee shall be formed to advise with, request or consent to, and

1 review actions of Watermaster. Said Administrative Committee
2 shall be composed of one representative of each party having
3 a right to extract ground water from ULARA, apart from the
4 physical solution. Any such party not desiring to participate
5 in such committee shall so advise Watermaster in writing.

6 8.3.2 Organization and Voting. The Administrative
7 Committee shall organize and adopt appropriate rules and
8 regulations to be included in Watermaster Policies and Pro-
9 cedures. Action of the Administrative Committee shall be by
10 unanimous vote of its members, or of the members affected in
11 the case of an action which affects one or more basins but
12 less than all of ULARA. In the event of inability of the
13 Committee to reach a unanimous position, the matter may, at
14 the request of Watermaster or any party, be referred to the
15 Court for resolution by subsequent order after notice and
16 hearing.

17 8.3.3 Function and Powers. The Administrative Committee
18 shall be consulted by Watermaster and shall request or approve
19 all discretionary Watermaster determinations. In the event of
20 disagreement between Watermaster and the Administrative
21 Committee, the matter shall be submitted to the Court for
22 review and resolution.

23 8.4 Watermaster Budget and Assessments.

24 8.4.1 Watermaster's Proposed Budget. Watermaster
25 shall, on or before May 1, prepare and submit to the Admin-
26 istrative Committee a budget for the ensuing water year.
27 The budget shall be determined for each basin separately and
28 allocated between the separate ground water basins. The

1 total for each basin shall be allocated between the public
2 agencies in proportion to their use of ground water from such
3 basin during the preceding water year.

4 8.4.2 Objections and Review. Any party who objects to
5 the proposed budget, or to such party's allocable share there-
6 of, may apply to the Court within thirty (30) days of receipt
7 of the proposed budget from Watermaster for review and modifi-
8 cation. Any such objection shall be duly noticed to all in-
9 terested parties and heard within thirty (30) days of notice.

10 8.4.3 Notice of Assessment. After thirty (30) days from
11 delivery of Watermaster's proposed budget, or after the order
12 of Court settling any objections thereto, Watermaster shall
13 serve notice on all parties to be assessed of the amount of
14 assessment and the required payment schedule.

15 8.4.4 Payment. All assessments for Watermaster expenses
16 shall be payable on the dates designated in the notice of
17 assessment.

18 8.5 Review of Watermaster Activities.

19 8.5.1 Review Procedures. All actions of Watermaster
20 (other than budget and assessment matters, which are provided
21 for in Paragraph 8.4.2) shall be subject to review by the
22 Court on its own motion or on motion by any party, as follows:

23 8.5.1.1 Noticed Motion. Any party may, by a
24 regularly noticed motion, apply to the Court for review
25 of any Watermaster's action. Notice of such motion shall
26 be served personally or mailed to Watermaster and to all
27 active parties.

28 8.5.1.2 De Novo Nature of Proceedings. Upon the

1 filing of any such motion, the Court shall require the
2 moving party to notify the active parties of a date for
3 taking evidence and argument, and on the date so desig-
4 nated shall review de novo the question at issue. Water-
5 master's findings or decision, if any, may be received
6 in evidence at said hearing, but shall not constitute
7 presumptive or prima facie proof of any fact in issue.

8 8.5.1.3 Decision. The decision of the Court in
9 such proceeding shall be an appealable supplemental order
10 in this case. When the same is final, it shall be
11 binding upon the Watermaster and all parties.

12 9. PHYSICAL SOLUTION

13 9.1 Circumstances Indicating Need for Physical Solution.

14 During the period between 1913 and 1955, when there existed tempor-
15 ary surplus waters in the San Fernando Basin, overlying cities and
16 private overlying landowners undertook to install and operate water
17 extraction, storage and transmission facilities to utilize such
18 temporary surplus waters. If the injunction against interference
19 with the prior and paramount rights of Los Angeles to the waters of
20 the San Fernando and Eagle Rock Basins were strictly enforced, the
21 value and utility of those water systems and facilities would be
22 lost or impaired. It is appropriate to allow continued limited
23 extraction from the San Fernando and Eagle Rock Basins by parties
24 other than Los Angeles, subject to assurance that Los Angeles will
25 be compensated for any cost, expense or loss incurred as a result
26 thereof.
27

28 9.2 Prior Stipulated Judgments. Several defendants

1 heretofore entered into separate stipulated judgments herein,
2 during the period June, 1958 to November, 1965, each of which
3 judgments was subject to the Court's continuing jurisdiction.
4 Without modification of the substantive terms of said prior judg-
5 ments, the same are categorized and merged into this judgment and
6 superseded hereby in the exercise of the Court's continuing juris-
7 diction, as follows:

8 9.2.1 Eagle Rock Basin Parties. Stipulating defendants
9 Foremost and Deep Rock have extracted water from Eagle Rock
10 Basin, whose entire safe yield consist of import return
11 waters of Los Angeles. Said parties may continue to extract
12 water from Eagle Rock Basin to supply their bottled drinking
13 water requirements upon filing all required reports on said
14 extraction with Watermaster and Los Angeles and paying Los
15 Angeles annually an amount equal to \$21.78 per acre foot for
16 the first 200 acre feet, and \$39.20 per acre foot for any
17 additional water extracted in any water year.

18 9.2.2 Non-consumptive or Minimal-consumptive Operations.
19 Certain stipulating defendants extract water from San Fernando
20 Basin for uses which are either non-consumptive or have a
21 minimal consumptive impact. Each of said defendants who have
22 a minimal consumptive impact has a connection to the City of
23 Los Angeles water system and purchases annually an amount of
24 water at least equivalent to the consumptive loss of extracted
25 ground water. Said defendants are:

26 Non-Consumptive

27 Walt Disney Productions

28 Sears, Roebuck & Co.

1 Minimal-Consumptive

2 Conrock Co., for itself and as successor to California
3 Materials Co.; Constance Ray White and Lee L. White;
4 Mary L. Akmadzich and Peter J. Akmadzich
5 Livingston Rock & Gravel, for itself and as successor
6 to Los Angeles Land & Water Co.

7 The nature of each said defendant's water use practices is
8 described in Attachment "F". Subject to required reports to
9 and inspections by Watermaster, each said defendant may
10 continue extractions for said purposes so long as in any year
11 such party continues such non-consumptive or minimal-
12 consumptive use practices.

13 9.2.3 Abandoned Operations. The following stipulating
14 defendants have ceased extracting water from San Fernando
15 Basin and no further need exists for physical solution in
16 their behalf:

17 Knickerbocker Plastic Company, Inc.
18 Carnation Company
19 Hidden Hills Mutual Water Company
20 Southern Pacific Railroad Co.
21 Pacific Fruit Express Co.

22 9.3 Private Defendants. There are private defendants who in-
23 stalled during the years of temporary surplus relatively substantial
24 facilities to extract and utilize ground waters of San Fernando
25 Basin. Said defendants may continue their extractions for consump-
26 tive use up to the indicated annual quantities upon payment of com-
27 pensation to the appropriate city wherein their use of water is
28 principally located, on the basis of the following physical solution:

1 9.3.1 Private Defendants and Appropriate Cities. Said
2 private defendants and the cities to which their said extrac-
3 tions shall be charged and to which physical solution payment
4 shall be made are:

		<u>Annual Quantities</u> <u>(acre feet)</u>
5		
6	Los Angeles - Toluca Lake	100
7	Sportsman's Lodge	25
8	Van de Kamp	120
9	Glendale - Forest Lawn	400
10	Southern Service Co.	75
11	Burbank - Valhalla	300
12	Lockheed	25

13 Provided that said private defendants shall not develop,
14 install or operate new wells or other facilities which will
15 increase existing extraction capacities.

16 9.3.2 Reports and Accounting. All extractions pursuant
17 to this physical solution shall be subject to such reasonable
18 reports and inspections as may be required by Watermaster.

19 9.3.3 Payment. Water extracted pursuant hereto shall
20 be compensated for by annual payment to Los Angeles, and as
21 agreed upon pursuant to paragraph 9.3.3.2 to Glendale and
22 Burbank, thirty days from day of notice by Watermaster, on
23 the following basis:

24 9.3.3.1 Los Angeles. An amount equal to what
25 such party would have paid had water been delivered from
26 the distribution system of Los Angeles, less the average
27 energy cost of extraction of ground water by Los Angeles
28 from San Fernando.

 9.3.3.2 Glendale or Burbank. An amount equal to

1 the sum of the amount payable to Los Angeles under para-
2 graph 9.4 hereof and any additional charges or conditions
3 agreed upon by either such city and any private defendant.

4 9.4 Glendale and Burbank. Glendale and Burbank have each
5 installed, during said years of temporary surplus, substantial
6 facilities to extract and utilize waters of the San Fernando Basin.
7 In addition to the use of such facilities to recover import return
8 water, the distribution facilities of such cities can be most
9 efficiently utilized by relying upon the San Fernando Basin for
10 peaking supplies in order to reduce the need for extensive new
11 surface storage. Glendale and Burbank may extract annual quanti-
12 ties of ground water from the San Fernando Basin, in addition to
13 their rights to import return water or stored water, as heretofore
14 declared, in quantities up to:

15	Glendale	5,500 acre feet
16	Burbank	4,200 acre feet;

17 provided, that said cities shall compensate Los Angeles annually
18 for any such excess extractions over and above their declared
19 rights at a rate per acre foot equal to the average MWD price for
20 municipal and industrial water delivered to Los Angeles during the
21 fiscal year, less the average energy cost of extraction of ground
22 water by Los Angeles from San Fernando Basin during the preceding
23 fiscal year. Provided, further, that ground water extracted by
24 Forest Lawn and Southern Service Co. shall be included in the
25 amount taken by Glendale, and the amount extracted by Valhalla and
26 Lockheed shall be included in the amount taken by Burbank. All
27 water taken by Glendale or Burbank pursuant hereto shall be charged
28 against Los Angeles' rights in the year of such extractions.

1 In the event of emergency, and upon stipulation or motion
2 and subsequent order of the Court, said quantities may be enlarged
3 in any year.

4 9.5 San Fernando. San Fernando delivers imported water on
5 lands overlying the San Fernando Basin, by reason of which said
6 city has a right to recover import return water. San Fernando does
7 not have water extraction facilities in the San Fernando Basin, nor
8 would it be economically or hydrologically useful for such facil-
9 ities to be installed. Both San Fernando and Los Angeles have
10 decreed appropriative rights and extraction facilities in the
11 Sylmar Basin. San Fernando may extract ground water from the
12 Sylmar Basin in a quantity sufficient to utilize its San Fernando
13 Basin import return water credit, and Los Angeles shall reduce its
14 Sylmar Basin extractions by an equivalent amount and receive an
15 offsetting entitlement for additional San Fernando Basin extractions.

16 9.6 Effective Date. This physical solution shall be effec-
17 tive on October 1, 1978, based upon extractions during water year
18 1978-79.

20 10. MISCELLANEOUS PROVISIONS

21 10.1 Designation of Address for Notice and Service. Each
22 party shall designate the name and address to be used for purposes
23 of all subsequent notices and service herein by a separate desig-
24 nation to be filed with Watermaster within thirty (30) days after
25 Notice of Entry of Judgment has been served. Said designation may
26 be changed from time to time by filing a written notice of such
27 change with the Watermaster. Any party desiring to be relieved
28 of receiving notices of Watermaster activity may file a waiver of

1 notice on a form to be provided by Watermaster. Thereafter such
2 party shall be removed from the Active Party list. For purposes of
3 service on any party or active party by the Watermaster, by any
4 other party, or by the Court, of any item required to be served
5 upon or delivered to such party or active party under or pursuant
6 to the Judgment, such service shall be made personally or by de-
7 posit in the United States mail, first class, postage prepaid,
8 addressed to the designee and at the address in the latest desig-
9 nation filed by such party or active party.

10 10.2 Notice of Change in Hydrologic Condition -- Sylmar Basin.

11 If Sylmar Basin shall hereafter be in a condition of overdraft due
12 to increased or concurrent appropriations by Los Angeles and San
13 Fernando, Watermaster shall so notify the Court and parties concern-
14 ed, and notice of such overdraft and the adverse effect thereof on
15 private overlying rights shall be given by said cities as prescribed
16 by subsequent order of the Court, after notice and hearing.

17 10.3 Judgment Binding on Successors. This Judgment and all
18 provisions thereof are applicable to and binding upon not only the
19 parties to this action, but also upon their respective heirs,
20 executors, administrators, successors, assigns, lessees and licen-
21 sees and upon the agents, employees and attorneys in fact of all
22 such persons.

23 10.4 Costs. Ordinary court costs shall be borne by each
24 party, and reference costs shall be borne as heretofore allocated
25 and paid.

26 DATED: Jan 26, 1979.

27
28 

Judge of the Superior Court

Sylmar Basin Stipulation

ORIGINAL

RICHARDS | WATSON | GERSHON
ATTORNEYS AT LAW - A PROFESSIONAL CORPORATION

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MICHAEL ESTRADA
City Attorney
CITY OF SAN FERNANDO

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Attorneys for Defendant,
CITY OF SAN FERNANDO

REC'D
OCT 11 2006
FILING WINDOW

FILED
LOS ANGELES SUPERIOR COURT
DEC 14 2006
JOHN A. CLARKE, CLERK
M. Hollings
BY M. J. HOLLINGS DEPUTY

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES-CENTRAL DISTRICT**

CITY OF LOS ANGELES,

Plaintiff,

vs.

CITY OF SAN FERNANDO, ET AL.,

Defendant.

Case No. 650079

~~PROPOSED~~ ORDER GRANTING
MOTION TO APPROVE
STIPULATION BETWEEN THE
CITIES OF SAN FERNANDO AND
LOS ANGELES REGARDING THE
SAFE YIELD OF THE SYLMAR
BASIN

Date: November 15, 2006
Time: 8:30 a.m.
Dept.: 52
Hon. Susan Bryant-Deason

[Exempt from Filing Fees Pursuant to Govt. Code §6103]

The motion of the City of San Fernando ("San Fernando") and the City of Los Angeles ("Los Angeles") to approve the stipulation dated October 10, 2006 entered between San Fernando and Los Angeles regarding the safe yield of the Sylmar Basin, came on regularly for hearing on ~~November 15, 2006~~ *December 13, 2006* in Department 52 of the above-entitled court, the Hon. Susan Bryant-Deason presiding. The appearances of counsel are noted on the record.

1 Having considered the papers submitted by the parties, and the arguments of
2 counsel thereon, the Court hereby approves he stipulation dated October 10, 2006 entered
3 between San Fernando and Los Angeles regarding the safe yield of the Sylmar Basin is
4 approved.

5
6 DATED: ^{Dec} ~~October~~ 13, 2006

Judge Brent D. Deason

Judge of the Superior Court

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PROOF OF SERVICE

I, Kelley Herrington, declare:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is Richards, Watson & Gershon, 355 South Grand, 40th Floor, Los Angeles, California. On October 11, 2006, I served the within documents:

[PROPOSED] ORDER GRANTING MOTION TO APPROVE STIPULATION BETWEEN THE CITIES OF SAN FERNANDO AND LOS ANGELES REGARDING THE SAFE YIELD OF THE SYLMAR BASIN

- by causing facsimile transmission of the document(s) listed above from (213) 626-8484 to the person(s) and facsimile number(s) set forth below on this date before 5:00 P.M. This transmission was reported as complete and without error. A copy of the transmission report(s), which was properly issued by the transmitting facsimile machine, is attached. Service by facsimile has been made pursuant to a prior written agreement between the parties.
- by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Los Angeles, California, addressed as set forth below. I am readily familiar with the firm's practice for collection and processing correspondence for mailing with the United States Postal Service. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing contained in this affidavit.
- by placing the document(s) listed above in a sealed envelope and affixing a pre-paid air bill, and causing the envelope to be delivered to a agent for delivery, or deposited in a box or other facility regularly maintained by , in an envelope or package designated by the express service carrier, with delivery fees paid or provided for, addressed to the person(s) at the address(es) set forth below.
- by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.
- by causing personal delivery by First Legal Support Services, 1511 West Beverly Boulevard, Los Angeles, California 90026 of the document(s) listed above to the person(s) at the address(es) set forth below.

See Attached Service List

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on October 11, 2006.



KELLEY HERRINGTON

SERVICE LIST

- 1
- 2 Kisag Moordigian
3 15224 El Casco Street
4 Sylmar, California 91342
- 5 Mr. Dennis Barlow
6 City Attorney
7 275 East Olive Avenue
8 Burbank, California 91502
9 Telephone: 818-238-5700
- 10 Julie Conboy
11 Assistant City Attorney
12 Office of the City Attorney
13 Department of Water and Power
14 111 N. Hope Street, Suite 340
15 P.O. Box 5111
16 Los Angeles, California 90051-5700
17 Telephone: 213-367-4579
- 18 Scott Howard
19 City Attorney
20 613 East Broadway
21 Glendale, California 91205
22 Telephone: 818-548-2080
- 23 Dayle L. Bailey
24 1712 South Glendale Avenue
25 Glendale, California 91205
26 Telephone: 323-254-3131
- 27 James Biby
28 Valhalla Memorial Park
10621 Victory Boulevard
North Hollywood, California 91606
Telephone: 818-763-9121
- Fritz Tegatz
Middle Ranch
11700 No. Little Tujunga Canyon Road
Lake View Terrance, California 91342
- MHC Santiago Estates LP
(Successor-in-interest to Meurer Engineering Inc.)
2 N. Riverside Plaza, Suite 800
Chicago, IL 60606
- MHC Santiago Estates LP
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West Coast Basin - Judgement 506806

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County of Los Angeles

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13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
14 **FOR THE COUNTY OF LOS ANGELES**

15 CALIFORNIA WATER SERVICE
16 COMPANY, et al.,

17 Plaintiff,

18 vs.

19 CITY OF COMPTON, et al.,

20 Defendant.

Case No. C 506 806
[Related to Case No. C 786656]

Assigned for All Purposes to the
Honorable Kenneth R. Freeman (Dept. 310)

AMENDED JUDGMENT

Action Filed: 7/21/1945

BROWNSTEIN HYATT FARBER SCHRECK, LLP
21 East Carrillo Street
Santa Barbara, CA 93101-2706

AMENDED JUDGMENT

1 The original judgment in this action was entered on August 18, 1961 (“Judgment”).
2 Pursuant to the reserved and continuing jurisdiction of the Court under the Judgment, certain
3 amendments to the Judgment and temporary orders have heretofore been made and entered.

4 Continuing jurisdiction of the Court under the Judgment is currently assigned to the
5 Honorable Richard Freeman.

6 The motion of Defendants the City of Inglewood, the City of Long Beach, the City of Los
7 Angeles, the City of Manhattan Beach, the City of Torrance, the California Water Service
8 Company, and the Golden State Water Company, and Intervenors the West Basin Municipal
9 Water District and the Water Replenishment District of Southern California, for further
10 amendments to the Judgment, notice thereof and of the hearing thereon having been duly and
11 regularly given to all Parties, came for hearing in Department 310 of the above-entitled Court on
12 December 9, 2014 at 9:00 a.m., before said Honorable Freeman.

13 This “Amended Judgment” incorporates prior amendments to the Judgment made
14 pursuant to the following Court orders: (1) Order Authorizing Temporary Mining Of Basin
15 entered on or about June 2, 1977, (2) Order Authorizing Temporary Mining Of Basin entered on
16 or about September 29, 1977, (3) Order approving Intervention After Judgment Of Hughes
17 Aircraft Company As A Party Defendant And Amending Amended Judgment Herein entered on
18 or about September 24, 1981, (4) Order Amending Judgment entered on or about March 8, 1989,
19 (5) Order entered on or about July 6, 1993, and (6) Order Amending Judgment To Provide
20 Exclusion Zone entered on or about December 21, 1995 (the “Prior Amendment Orders”). To the
21 extent this Amended Judgment is a restatement of the Judgment as heretofore amended, the Prior
22 Amendment Orders are incorporated into this Amended Judgment for convenience and not as a
23 re-adjudication of the matters encompassed in the Prior Amendment Orders.

24 **NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED**
25 **AS FOLLOWS:**

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27
28

1 **I. EXISTENCE OF BASIN AND BOUNDARIES THEREOF**

2 There exists in the County of Los Angeles, State of California, an underground water
3 basin or reservoir known and hereinafter referred to as “West Coast Basin,” “West Basin” or the
4 “Basin,” and the boundaries thereof are described as follows:

5 Commencing at a point in the Baldwin Hills about 1300 feet north
6 and about 100 feet west of the intersection of Marvale Drive and
7 Northridge Drive; thence through a point about 200 feet
8 northeasterly along Northridge Drive from the intersection of
9 Marvale and Northridge Drives to the base of the escarpment of the
10 Potrero fault; thence along the base of the escarpment of the Potrero
11 fault in a straight line passing through a point about 200 feet south
12 of the intersection of Century and Crenshaw Boulevards and
13 extending about 2650 feet beyond this point to the southerly end of
14 the Potrero escarpment; thence from the southerly end of the
15 Potrero escarpment in a line passing about 700 feet south of the
16 intersection of Western Avenue and Imperial Boulevard and about
17 400 feet north of the intersection of El Segundo Boulevard and
18 Vermont Avenue and about 1700 feet south of the intersection of El
19 Segundo Boulevard and Figueroa Street to the northerly end of the
20 escarpment of the Avalon-Compton fault at a point on said fault
21 about 700 feet west of the intersection of Avalon Boulevard and
22 Rosecrans Avenue; thence along the escarpment of the Avalon-
23 Compton fault to a point in the Dominguez Hills located about
24 1300 feet north and about 850 feet west of the intersection of
25 Central Avenue and Victoria Street; thence along the crest of the
26 Dominguez Hills in a straight line to a point on Alameda Street
27 about 2900 feet north of Del Amo Boulevard as measured along
28 Alameda Street; thence in a straight line extending through a point
located on Del Amo Boulevard about 900 feet west of the Pacific
Electric Railway to a point about 100 feet north and west of the
intersection of Bixby Road and Del Mar Avenue; thence in a
straight line to a point located about 750 feet west and about 730
feet south of the intersection of Wardlow Road and Long Beach
Boulevard at the escarpment of the Cherry Hill fault; thence along
the escarpment of the Cherry Hill fault through the intersection of
Orange Avenue and Willow Street to a point about 400 feet east of
the intersection of Walnut and Creston Avenues; thence to a point
on Pacific Coast Highway about 300 feet west of its intersection
with Obispo Avenue; thence along Pacific Coast Highway easterly
to a point located about 650 feet west of the intersection of the
center line of said Pacific Coast Highway with the intersection of
the center line of Lakewood Boulevard; thence along the
escarpment of the Reservoir Hill fault to a point about 650 feet
north and about 700 feet east of the intersection of Anaheim Street
and Ximeno Avenue; thence along the trace of said Reservoir Hill
fault to a point on the Los Angeles - Orange County line about
1700 feet northeast of the Long Beach City limit measured along
the County line; thence along said Los Angeles - Orange County
line in a southwesterly direction to the shore line of the Pacific
Ocean; thence in a northerly and westerly direction along the shore
line of the Pacific Ocean to the intersection of said shore line with

1 the southerly end of the drainage divide of the Palos Verdes Hills;
2 thence along the drainage divide of the Palos Verdes Hills to the
3 intersection of the northerly end of said drainage divide with the
4 shore line of the Pacific Ocean; thence northerly along the shore
5 line of the Pacific Ocean to the intersection of said shore line with
6 the westerly projection of the crest of the Ballona escarpment;
7 thence easterly along the crest of the Ballona escarpment to the
8 mouth of Centinela Creek; thence easterly from the mouth of
9 Centinela Creek across the Baldwin Hills in a line encompassing
10 the entire watershed of Centinela Creek to the point of beginning.

11 All streets, railways and boundaries of Cities and Counties hereinabove are referred to as
12 the same existed at 12:00 o'clock noon on August 20, 1961.

13 The area included within the foregoing boundaries is approximately 101,000 acres in
14 extent.

15 **II. DEFINITIONS**

16 1. "*Administrative Body*" is defined in Section XI.2.A. The Administrative Body is
17 one of the three bodies that comprises the Watermaster.

18 2. "*Administrative Year*" means the 12 (twelve) month period beginning July 1 and
19 ending June 30.

20 3. "*Adjudicated Right*" means the right of a Party to produce groundwater in a
21 quantity greater than 0 (zero) pursuant to the rights authorized under Section III of this Amended
22 Judgment.

23 4. "*Adjudicated Storage Capacity*" means 70,900 acre-feet of the Available
24 Dewatered Space, unless otherwise modified in accordance with Section V.1.A herein, which has
25 been apportioned for use herein for Individual Storage Allocation, Community Storage Pool, and
26 Regional Storage Allocation.

27 5. "*Amended Judgment*" means the Judgment, as amended to date.

28 6. "*Available Dewatered Space*" means up to 120,000 acre feet of dewatered space
available to hold groundwater within the West Coast Basin that is allocated between Adjudicated
Storage Capacity and Basin Operating Reserve.

7. "*Basin,*" "*West Basin,*" and "*West Coast Basin*" as these terms are interchangeably
used herein, each means the ground water basin underlying the area described in Section I hereof.

1 8. “*Basin Operating Reserve*” means a total of 49,100 acre-feet of Available
2 Dewatered Space, unless otherwise modified in accordance with Section V.1.A herein, available
3 for Basin operations as provided in Section V.2. The Basin Operating Reserve added to the
4 Adjudicated Storage Capacity equals the amount of Available Dewatered Space.

5 9. “*Carryover*” is defined in Section V.4.

6 10. “*Carryover Conversion*” means the process of converting water properly held as
7 Carryover into Stored Water.

8 11. “*CEQA*” refers to the California Environmental Quality Act, Public Resources
9 Code § 21000 *et seq.* and its implementing regulations set forth at California Code of
10 Regulations, Title 14, Chapter 3, which regulations shall be referred to herein as the “*CEQA*
11 *Guidelines*.”

12 12. “*CEQA Review Document*” means the final Environmental Impact Report,
13 Negative Declaration or Mitigated Negative Declaration, prepared by or on behalf of the lead
14 agency under CEQA.

15 13. “*Community Storage Pool Allocation*” is defined in Section V.6.A.

16 14. “*Contributed Water*” means a specified amount of Stored Water that the person or
17 entity who stores water agrees to not recapture and to allow to remain in the Basin.

18 15. “*Developed Water*” includes Imported Water and other non-native water supplies.

19 16. “*Existing Facilities*” means those facilities described in Exhibit C to this Amended
20 Judgment as well as completed New Storage Facilities approved in accordance with this
21 Amended Judgment.

22 17. “*Extraction*,” “*extractions*,” “*extracting*,” “*extracted*,” and other variations of the
23 same noun and verb in either initial capital or all lower case, mean pumping, taking, diverting or
24 withdrawing groundwater by any manner or means whatsoever from the West Coast Basin.

25 18. “*Individual Storage Allocation*” is defined in Section V.5.

26 19. “*Imported Water*” means water brought into the West Coast Basin area from a
27 non-tributary source by a Party, and any predecessors in interest.

28 20. “*Majority Protest*” means a written protest filed with the Administrative Body of

1 the Watermaster by Parties holding a majority of all Adjudicated Rights.

2 21. “*Material Physical Harm*” means material physical injury or an appreciable
3 diminution in the quality or quantity of groundwater available within the Basin to support
4 extractions pursuant to Adjudicated Rights or the right to extract Stored Water that is
5 demonstrated to be attributable to the placement, recharge, injection, storage, transfer or recapture
6 of Stored Water, including, but not limited to, degradation of water quality, liquefaction, land
7 subsidence and other material physical injury caused by elevated or lowered groundwater levels.
8 Material Physical Harm does not include “economic injury” that results from other than direct
9 physical causes, including any adverse effect on water rates, lease rates, or demand for water.
10 Once fully mitigated, physical injury shall no longer be considered to be material.

11 22. “*MWD*” means the Metropolitan Water District of Southern California.

12 23. “*New Storage Facility*” means a physical facility that can be used to introduce
13 Stored Water or water from a Water Augmentation Project into the Basin, including but not
14 limited to aquifer storage and recovery wells, injection wells, percolation ponds and spreading
15 basins, that are not listed on Exhibit C to this Amended Judgment. Once completed and approved
16 in accordance with this Amended Judgment, a New Storage Facility shall be deemed an Existing
17 Facility for purposes of this Amended Judgment.

18 24. “*Outgoing Watermaster*” means the State of California, Department of Water
19 Resources.

20 25. “*Party*” or “*Parties*” means a Party or Parties to this action.

21 26. “*Person*” or “*persons*” include individuals, partnerships, associations, govern-
22 mental agencies and corporations, and any and all types of entities.

23 27. “*Regional Benefit*” means a contribution to or an advantage obtained by the Basin,
24 the public, or the environment, including but not limited to (i) Contributed Water; (ii) additional
25 infrastructure such as production wells or transmission pipelines that can be used by other Parties
26 or WRD to enhance reliability of water supplies; or (iii) monetary payments. If the Regional
27 Benefit is Contributed Water, the Contributed Water must be physical, “wet” water left in the
28 Basin, which may be used by WRD as a source of Replenishment Water and thereby reduce the

1 otherwise applicable Replenishment Assessment. The value of the Contributed Water will be
2 determined by multiplying the amount of Contributed Water by the appropriate rate for Imported
3 Water purchased or acquired by WRD in the Basin.

4 28. “*Regional Storage Project(s)*” are defined in Section V.7.

5 29. “*Regional Storage Allocation*” is defined in Section V.7.

6 30. “*Replenishment Assessment*” means the replenishment assessment imposed by
7 WRD upon each acre-foot of groundwater extracted from the West Coast Basin pursuant to the
8 WRD Act and in compliance with all other laws of the State of California and any other
9 applicable laws. This Amended Judgment shall not determine nor affect the determination of
10 whether a Replenishment Assessment is valid or invalid in the event that any Replenishment
11 Assessment is challenged in a legal action.

12 31. “*Replenishment Water*” means water that, in accordance with the WRD Act, WRD
13 affirmatively captures or procures to replenish the Basin by percolating or injecting water into the
14 Basin or in-lieu by substituting surface water in-lieu of production and use of groundwater in
15 accordance with the WRD Act. To the extent WRD hereafter creates new means of capturing
16 naturally occurring water and causing such newly-captured water to replenish the West Coast
17 Basin, such newly-captured replenishment water shall also be considered “Replenishment
18 Water.”

19 32. “*Space-Available Storage*” is defined at Section V.10.

20 33. “*Storage Panel*” means a bicameral body that consists of the: (i) West Coast Basin
21 Water Rights Panel, and (ii) Board of Directors of WRD. The Storage Panel is one of three
22 bodies that comprise the Watermaster.

23 34. “*Storage Project*” means a Technically Feasible activity pertaining to the
24 placement, recharge, injection, storage, transfer or recapture of Stored Water in the Basin.
25 Storage Project(s) includes Regional Storage Projects.

26 35. “*Stored Water*” or “*Store Water*” means water held within any portion of the
27 Available Dewatered Space in the West Coast Basin as a result of spreading, injection, Carryover
28 Conversion or water from a Water Augmentation Project, where there is an intention to

1 subsequently withdraw the water for reasonable and beneficial use pursuant to the Amended
2 Judgment.

3 36. “*Technically Feasible*” means capable of being accomplished in a successful
4 manner within a reasonable period of time, taking into account environmental and technological
5 factors.

6 37. “*Total Adjudicated Production Rights*” means the sum of a Party’s Adjudicated
7 Rights and any contractual right through lease or other agreement to extract and use the
8 Adjudicated Right of another Party.

9 38. “*Water Augmentation Project*” means pre-approved Technically Feasible physical
10 actions and management activities that are initiated after entry of this Amended Judgment that
11 provide demonstrated appreciable increases in long-term annual groundwater yield of the Basin.

12 39. “*Watermaster*” is comprised of the: (i) Administrative Body, (ii) Water Rights
13 Panel, and (iii) Storage Panel. The Watermaster is not a “public agency” or a “trustee agency”
14 within the meaning of CEQA and CEQA Guidelines 15379 and 15386.

15 40. “*Water Purveyor*” means a Party which sells water to the public, whether a
16 regulated public utility, mutual water company, or public entity, which has a connection or
17 connections for the taking of Imported Water through the MWD, through a MWD-member
18 agency, or access to such Imported Water through such connection, and which normally supplies
19 at least a part of its customers’ water needs with such Imported Water.

20 41. “*Water Rights Panel*” means one of the three bodies that comprise the
21 Watermaster consisting of five (5) members from among representatives of the Parties holding
22 Adjudicated Rights. Three (3) of the members shall be the elected officers of president, vice-
23 president and treasurer of the West Basin Water Association and the remaining two (2) members
24 shall be selected by the Board of Directors of the West Basin Water Association in accordance
25 with Section XI.2.B of the Amended Judgment.

26 42. “*Watermaster Rules*” mean the Rules that the Watermaster shall adopt, subject to
27 Court approval, pursuant to Section XI.1.E of the Amended Judgment.

28 43. “*WRD*” means the Water Replenishment District of Southern California, a public

1 corporation of the State of California (Division 18, commencing with Section 60000 of the Water
2 Code).

3 44. "WRD Act" means the Water Replenishment District Act, California Water Code
4 Sections 60000 *et seq.*

5 **III. DECLARATION OF RIGHTS - WATER RIGHTS ADJUDICATED**

6 A. Certain of the Parties and/or their successors in interest are the owners of
7 Adjudicated Rights to extract water from the Basin, which Adjudicated Rights are of the same
8 legal force and effect and without priority with reference to each other. The amount of such
9 Adjudicated Rights, stated in acre-feet per year, of each of these Parties, as of the date of this
10 Amended Judgment, is set forth in Exhibit A to this Amended Judgment and is hereby declared
11 and established accordingly. Provided, however, that the Adjudicated Rights so declared and
12 established shall be subject to the condition that the water produced, when used, shall be put to
13 beneficial use through reasonable methods of use and reasonable methods of diversion; and
14 provided further that the exercise of all of said Adjudicated Rights shall be subject to a pro rata
15 reduction, if such reduction is required, to preserve said Basin as a common source of water
16 supply.

17 B. Certain of the Parties have no Adjudicated Rights to extract water from the
18 Basin. The name of each of said Parties, as of the date of this Amended Judgment, is listed in
19 Exhibit A with a zero following its name, and the absence of such Adjudicated Rights in said
20 Parties is hereby established and declared.

21 C. As provided in Exhibit B to this Judgment, there is hereby established a
22 "nonconsumptive water use right" in the Basin, which is subordinate to the Adjudicated Rights
23 set forth in Section III hereof and which right is exercisable only on specifically defined lands and
24 cannot be separately conveyed or transferred apart therefrom.

25 D. As further provided in Exhibit B to this Judgment, any party herein may
26 petition the Administrative Body, acting on behalf of the Watermaster, for a non-consumptive
27 water use permit as part of a project to recover old refined oil or other pollutants that has leaked
28 into the underground aquifers of the Basin.

1 **IV. TRANSFERABILITY OF RIGHTS**

2 All Adjudicated Rights decreed and adjudicated herein, and the right to extract Stored
3 Water stored within the Basin pursuant to the provisions herein, may be transferred, assigned,
4 licensed or leased by the owner thereof provided, however, that no such transfer shall be complete
5 until compliance with the appropriate notice procedures established by the Watermaster herein.

6 **V. PHYSICAL SOLUTION – BASIN STORAGE, CARRYOVER, BASIN**
7 **OPERATING RESERVE, AND EXCESS PRODUCTION**

8 **1. Determination of Available Dewatered Space**

9 A. There exists within the Basin Available Dewatered Space which has not
10 been optimally utilized for Basin management and storage of native water and Developed Water.
11 The Court finds and determines that: (i) there is up to one hundred and twenty thousand (120,000)
12 acre-feet of Available Dewatered Space in the Basin; (ii) use of the Available Dewatered Space
13 will increase reasonable and beneficial use of the Basin by permitting the more efficient
14 procurement and management of Replenishment Water and allowing Parties to have Stored Water
15 in the Basin, thereby increasing the conservation of water and reliability of the water supply
16 available to all Parties; and (iii) compliance with the terms, conditions and procedures set forth in
17 this Amended Judgment is meant to prevent Material Physical Harm to the Basin associated with
18 the use of the Available Dewatered Space for Stored Water. If the Court determines, pursuant to
19 Section XIII of this Judgment, that the amount of Available Dewatered Space is more than or less
20 than 120,000 acre-feet, then the Court shall equitably adjust the amount of the Basin Operating
21 Reserve and Adjudicated Storage Capacity such that no more than 40.9% of the Available
22 Dewatered Space is allocated to the Basin Operating Reserve. No Party shall Store Water in the
23 Basin except in the Available Dewatered Space in conformity with this Amended Judgment.

24 B. It is essential that use of the Available Dewatered Space be undertaken for
25 the greatest public benefit pursuant to uniform, certain and transparent regulation that encourages
26 the conservation of water and reliability of the water supply, avoids Material Physical Harm, and
27 promotes the reasonable and beneficial use of water. Accordingly, in the event the Watermaster
28 becomes aware of the development of Material Physical Harm, or a reasonably foreseeable or

1 imminent threat of the development of Material Physical Harm, relating to the use of the
2 Available Dewatered Space, the Watermaster shall (i) promptly take all reasonably necessary
3 action to cease or avoid such harm as authorized under this Amended Judgment and the
4 Watermaster Rules, and (ii) notice a hearing within thirty (30) days before the Court and
5 concurrently file a report with the Court, served on all Parties, which shall explain the relevant
6 facts then known by the Watermaster relating to the Material Physical Harm, or imminent threat
7 thereof, including without limitation, the location of the occurrence, the source or cause, existing
8 and potential physical impacts or consequences of the identified or threatened Material Physical
9 Harm, all actions taken by the Watermaster to cease or avoid such harm, and any other
10 recommendations to remediate the identified or threatened Material Physical Harm.

11 C. To fairly balance the needs of the divergent interests of Parties having
12 Adjudicated Rights in the Basin, on the one hand, and the role of WRD on the other hand, and in
13 consideration of the shared desire and public purpose of removing impediments to the voluntary
14 conservation, storage, exchange and transfer of water, the Available Dewatered Space is
15 apportioned into complementary classifications of forty-nine thousand one hundred (49,100) acre-
16 feet of Basin Operating Reserve and seventy thousand nine hundred (70,900) acre-feet of
17 Adjudicated Storage Capacity as set forth in this Section V. The apportionment contemplates
18 flexible administration of storage capacity where use is apportioned among competing needs,
19 while allowing Available Dewatered Space to be used from time to time as Space-Available
20 Storage, subject to the priorities specified in this Amended Judgment.

21 **2. Basin Operating Reserve**

22 A. It is in the public interest for WRD to prudently exercise its discretion to
23 purchase, spread, and inject water, to provide for in-lieu replenishment, and otherwise to fulfill its
24 replenishment function within the Basin in accordance with the WRD Act. Accordingly, this
25 Amended Judgment expressly recognizes that WRD may use the Basin Operating Reserve to
26 manage available sources of water and otherwise fulfill its replenishment functions. WRD may
27 allow naturally occurring water to occupy the Basin Operating Reserve, as needed and in its
28 discretion, but cannot thereupon assert ownership, control or possession over naturally occurring

1 water as Replenishment Water or Stored Water. WRD's priority right to use the Basin Operating
2 Reserve is not intended to allow WRD to sell or lease Stored Water within that portion of the
3 Available Dewatered Space.

4 B. WRD shall have forty-nine thousand, one hundred (49,100) acre-feet of
5 Available Dewatered Space as the Basin Operating Reserve in accordance with the WRD Act.

6 C. WRD shall have a first priority right to use the Basin Operating Reserve in
7 accordance with the WRD Act. WRD's first priority right to the Basin Operating Reserve is
8 absolute. To the extent that there is a conflict between WRD and any other Party regarding the
9 availability of and desire to use any portion of the Basin Operating Reserve, the interests of WRD
10 will prevail. Any dispute as to the use of any portion of the Basin Operating Reserve shall be
11 heard directly by the Court, after notice of hearing served on all Parties.

12 D. To the extent WRD does not require the use of some or all of the Basin
13 Operating Reserve, that portion of the Basin Operating Reserve that is not then being used shall
14 be available for Space-Available Storage in accordance with Section V.10 of this Amended
15 Judgment and provided that such Space-Available Storage will not impede WRD's use of the
16 Basin Operating Reserve. WRD's failure to use any portion of the Basin Operating Reserve for
17 any time will not cause forfeiture or limit WRD's absolute right to make use of the Basin
18 Operating Reserve in the future without compensation. Nothing herein shall permit WRD to limit
19 or encumber its right to use the Basin Operating Reserve in accordance with the WRD Act.

20 **3. Adjudicated Storage Capacity**

21 The Adjudicated Storage Capacity is further allocated among the following classifications
22 of Stored Water:

- 23 • Individual Storage Allocation: twenty-five thousand eight hundred (25,800) acre-feet.
- 24 • Community Storage Pool: thirty-five thousand five hundred (35,500) acre-feet.
- 25 • Regional Storage Allocation: nine thousand six hundred (9,600) acre-feet.

26 **4. Carryover**

27 A. In order to add flexibility to the operation of this Amended Judgment and
28 to assist in a physical solution to meet the water requirements in the West Coast Basin, each of

1 the Parties who is adjudged to have an Adjudicated Right and who, by the end of an
2 Administrative Year, does not extract from the Basin all of such Party's Total Adjudicated
3 Production Right, is permitted to carry over from such Administrative Year the right to extract
4 from the Basin in the immediately following Administrative Year an amount of water equivalent
5 to the amount of its Total Adjudicated Production Right that exceeds the amount of its actual
6 extraction during said Administrative Year of water pursuant to its Total Adjudicated Production
7 Right (hereinafter referred to as "Carryover"). Carryover, as computed above for a Party, shall be
8 reduced by the quantity of Stored Water then held in the Available Dewatered Space by that
9 Party at the commencement of the immediately following Administrative Year, although such
10 reduction shall not cause the amount of Carryover to be less than 20% of the Party's Total
11 Adjudicated Production Right.

12 B. A Party having Carryover may, from time to time, elect to convert all or
13 part of such Party's Carryover to Stored Water, as authorized herein, upon payment of the
14 Replenishment Assessment to WRD. The WRD shall maintain, account and use the
15 Replenishment Assessment paid for Carryover Conversion in accordance with the provisions of
16 Section XI.2(A)(5) of this Amended Judgment. Such Stored Water shall be assigned to that
17 Party's Individual Storage Allocation, if available, and otherwise to the Community Storage Pool,
18 and thereafter to then existing excess capacity within other Individual Storage Allocation, the
19 Regional Storage Allocation, and only then if all remaining space is fully occupied, to the Basin
20 Operating Reserve for Space-Available Storage.

21 C. By reason of this Court's Orders dated June 2, 1977 and September 29,
22 1977, for the water years 1976-77 and 1977-78 any Party (including any successor in interest) can
23 Carryover until utilized any Adjudicated Right (including any authorized Carryover from prior
24 years) unexercised during said water years. This Amended Judgment shall not abrogate the rights
25 of any additional Carryover of unused Adjudicated Rights of the Parties as may exist pursuant to
26 the Orders filed as of June 2, 1977 and September 29, 1977.

27 **5. Individual Storage Allocations**

28 A. Up to twenty-five thousand eight hundred (25,800) acre-feet of Available

1 Dewatered Space is apportioned among the Parties as “Individual Storage Allocation” for the
2 purpose of providing each Party holding an Adjudicated Right under the Amended Judgment with
3 a first priority right to use an amount of that Available Dewatered Space equal to approximately
4 forty percent (40%) of their respective Adjudicated Right. Water may be deposited into storage
5 and assigned to an Individual Storage Allocation either through Carryover Conversion or by other
6 means authorized under the Amended Judgment. The Individual Storage Allocation will be held
7 in the name of the Party holding the Adjudicated Right upon notice to the Storage Panel. To the
8 extent a Party does not require the use of some or all of its Individual Storage Allocation, that
9 portion of the Individual Storage Allocation that is not then being used shall be available for
10 Space-Available Storage as provided in Section V10.A.

11 B. A Party’s first priority right to its Individual Storage Allocation is absolute.
12 To the extent that there is a conflict between a Party holding an Adjudicated Right and any other
13 Party or WRD regarding the availability of and desire to use any portion of their Individual
14 Storage Allocation, the interests of the Party with the Individual Storage Allocation will prevail.
15 Any dispute as to the use of any portion of a Party’s Individual Storage Allocation shall be heard
16 directly by the Court, after notice of hearing served on all Parties.

17 **6. Community Storage Pool**

18 A. Up to thirty-five thousand five hundred (35,500) acre-feet of Available
19 Dewatered Space is apportioned for the use by all Parties to the Amended Judgment with
20 Adjudicated Rights on a shared or community basis, hereafter referred to as the “Community
21 Storage Pool.” A Party that has fully occupied its Individual Storage Allocation may, on a first-in
22 time, first in right basis (subject to the limits expressed below) place water into storage in the
23 Community Storage Pool upon notice to the Storage Panel. So long as there is available capacity
24 in the Community Storage Pool, any Party may store water in the Community Storage Pool,
25 through Carryover Conversion as provided herein or by any other means authorized under the
26 Amended Judgment, provided such Party has first fully occupied that Party’s available Individual
27 Storage Allocation.

28 B. So long as there is adequate storage capacity available within the

1 Community Storage Pool, any Party may store water through any authorized method up to the
2 prescribed limits of available capacity within the Community Storage Pool upon notice to the
3 Storage Panel.

4 C. After a Party effectively occupies Available Dewatered Space within the
5 Community Storage Pool and then withdraws water from the Community Storage Pool, that Party
6 shall be allowed a period of twenty-four (24) months to completely refill the vacated storage
7 capacity before the capacity will be determined abandoned and available for use by other Parties.
8 However, once the Basin's Community Storage Pool has been filled (35,500 acre-feet in storage),
9 a Party may exercise its twenty-four (24) month refill priority only once, and thereafter only
10 provided there is then capacity available to permit that Party to refill the vacated space. Except as
11 to space subject to the refill right, as provided herein, all access to the Community Storage Pool
12 shall be made available pursuant to a basis of first in time, first in right.

13 D. A Party that has maintained Stored Water in the Community Storage Pool
14 for ten (10) consecutive years shall be subject to the following provisions whenever the
15 Community Storage Pool is at least twenty-five percent (25%) occupied with Stored Water based
16 on an aggregate of all Parties holding Adjudicated Rights who have Stored Water in the
17 Community Storage Pool: (i) the Party may elect to have that Stored Water deemed transferred to
18 Space-Available Storage in accordance with Section V.10 of this Amended Judgment, but if such
19 an election is not made or there is no Space-Available Storage, then (ii) the Stored Water shall be
20 deemed extracted first in advance of all other extraction rights in subsequent years
21 (notwithstanding the order of production set forth in Section IX.2) until the Party's entire
22 Community Storage account has been extracted. After the Stored Water is either transferred to
23 Space Available Storage or extracted as provided herein, then said Party may thereafter make a
24 renewed use of Community Storage on terms equal to other Parties on a first in time, first in right,
25 and space-available basis.

26 **7. Regional Storage Allocation**

27 A. Up to nine thousand six hundred (9,600) acre feet of Available Dewatered
28 Space in the West Coast Basin (the "Regional Storage Allocation") is designated for "Regional

1 Storage Project(s)” that: (i) do not constitute Water Augmentation Projects by enhancing the
2 long-term reliable yield of the Basin; and (ii) require storage capacity in excess of Individual
3 Storage Allocations and the Community Storage Pool.

4 B. Regional Storage Projects must be pre-approved by the Storage Panel of
5 the Watermaster, as provided in Section V.12. The Storage Panel shall not approve a Regional
6 Storage Project unless the applicant demonstrates (i) a proposed place of use and beneficial use
7 for the water identified at the time of storage, and (ii) that the Regional Storage Project is
8 Technically Feasible, will not cause Material Physical Harm and will confer a “Regional
9 Benefit”.

10 C. It is anticipated that Regional Storage Projects will be the principal
11 category of storage for potential Storage Projects sponsored by, or for the benefit of, entities that
12 do not hold an Adjudicated Right, although any Party to the Judgment may also propose a
13 Regional Storage Project. Any entity which is not a Party to the Judgment who receives approval
14 of a Regional Storage Project shall intervene into the Judgment as a Party prior to commencing
15 the Regional Storage Project. A Regional Storage Project approved by the Storage Panel that
16 occupies space within the nine thousand six hundred (9,600) acre-feet of Available Dewatered
17 Space shall have a priority right to occupy the Regional Storage Allocation over any other use
18 being made on a space-available basis.

19 D. Regional Storage Projects may include in-lieu, Carryover Conversion,
20 physical improvements, recharge of “wet water” by spreading or injection, reducing the overall
21 cost for the WRD to perform its replenishment function, and other measures that propose to make
22 beneficial use of the designated storage capacity.

23 E. Parties receiving a right to Store Water pursuant to an approved Regional
24 Storage Project shall have the first priority right to Regional Storage Allocation. Stored Water
25 held in the Regional Storage Allocation by a Party with an Adjudicated Right as Space-Available
26 Storage is subject to the limits of an annual extraction of one hundred and twenty percent (120%)
27 of the storing Party’s Total Adjudicated Production Right or as otherwise specified in accordance
28 with Section IX.1 herein.

1 F. To the extent that some or all of the Regional Storage Allocation is unused,
2 that portion of the Regional Storage Allocation that is not then being used shall be available for
3 Space-Available Storage as provided in Section V10.A.

4 **8. Limitations on Storage**

5 A. Irrespective of the category of storage utilized, each Party with an
6 Adjudicated Right shall not cumulatively have in storage in the Available Dewatered Space at
7 any time Stored Water totaling more than two hundred percent (200%) of that Party's
8 Adjudicated Right. However, a Party with an Adjudicated Right less than 100 acre feet may store
9 water in the Available Dewatered Space up to 200 acre feet.

10 B. Notwithstanding the foregoing, a Party with an Adjudicated Right may
11 store additional water up to 50% of its Adjudicated Right in excess of the aforementioned limit of
12 200% of its Adjudicated Right in Space-Available Storage as provided in Section V.10 of this
13 Amended Judgment for a cumulative total of up to 250% of the Party's Adjudicated Right. Any
14 Party with an Adjudicated Right seeking to store water in excess of 200% of its Adjudicated
15 Right shall apply for additional storage from the Storage Panel, which shall determine whether
16 additional storage space is available in light of the amount of storage space being utilized by all
17 Parties and providing adequate protection for planned or anticipated storage projects by other
18 Parties. The Storage Panel shall establish requirements as part of the Watermaster Rules
19 including providing notice of such applications to all Parties, a means for objection, standards for
20 granting or denying such requests, and promulgate requirements governing the extraction of the
21 additional storage.

22 C. A Party without an Adjudicated Right who holds rights to store water in
23 the Regional Storage Allocation by virtue of an approved Regional Storage Project shall comply
24 with any extraction limits established by the Storage Panel in its approval of said Regional
25 Storage Project. Subject to the foregoing, the right to extract Stored Water in the Basin may be
26 freely transferred to another Party to this Amended Judgment, as permitted by Section IV.

27
28

1 **9. Extraction of Stored Water; Exemption from Replenishment Assessment**

2 The Court finds and declares that the extraction of Stored Water as permitted hereunder
3 does not constitute “production of groundwater” within the meaning of Water Code Section
4 60317 and that no Replenishment Assessment shall be levied on the extraction of Stored Water.
5 This determination reflects the practical application of certain provisions of this Amended
6 Judgment concerning storage of water and extraction of Stored Water, including without
7 limitation the following: (1). payment of the Replenishment Assessment is required upon
8 Carryover Conversion, which allows WRD to replenish the Basin (as addressed under Section
9 V.4(B); (2) Developed Water introduced into the Basin through spreading or injection for storage
10 by or on behalf of a Party using Individual Storage Allocation or Community Storage Pool (as
11 authorized under Sections V.5 and V.6), or pursuant to a Water Augmentation Project (as
12 authorized under Section V.11), which needs not be replenished by WRD requiring payment of
13 the Replenishment Assessment; and (3) with respect to Regional Storage Projects, a Regional
14 Benefit must be established as a prerequisite of such a project, the water from which need not be
15 replenished by WRD requiring payment of the Replenishment Assessment.

16 **10. Space-Available Storage, Relative Priority, and Dedication of Abandoned**
17 **Water**

18 A. To balance the need to protect first priority uses of storage and to
19 encourage the full utilization of the Adjudicated Storage Capacity and the Basin Operating
20 Reserve within the Available Dewatered Space, any Party with an Adjudicated Right may make
21 interim, temporary use of then currently unused Available Dewatered Space within (i) any
22 category of Adjudicated Storage Capacity, and then (ii) if all Adjudicated Storage Capacity is
23 being fully used for Stored Water, then within the Basin Operating Reserve (“Space-Available
24 Storage”), subject to the following criteria:

25 (1) Any Party with an Adjudicated Right may engage in Space-
26 Available Storage without prior approval from the Storage Panel of the Watermaster provided
27 that the storing Party or Parties with an Adjudicated Right shall assume all risks of waste and loss
28 regardless of the hardship.

1 (2) No Party with an Adjudicated Right may use any portion of the
2 Basin Operating Reserve for Space-Available Storage unless that Party with an Adjudicated Right
3 has already maximized its allowed storage pursuant to its Individual Storage Allocation and all
4 available Community Storage and Regional Storage is already in use.

5 (3) Space-Available Storage shall first utilize unused storage space
6 within the Individual Storage Allocation category, subject to the provisions in this Amended
7 Judgment, and the Regional Storage Allocation before utilizing any available unused storage
8 space within Community Storage. No utilization of Community Storage under Space-Available
9 Storage shall be counted in making determinations under Sections V.6.C. or V.6.D.

10 (4) Whenever the Administrative Body determines that a Party with an
11 Adjudicated Right is making use of excess Available Dewatered Space for Space-Available
12 Storage without prior approval from the Storage Panel, the Administrative Body shall issue
13 written notice to the Party with an Adjudicated Right informing them of the risk of loss and
14 inform that Party what space (Individual Allocation, Regional Storage, Community Pool or Basin
15 Operating Reserve) it is occupying on a Space-Available basis.

16 (5) Use of Space-Available Storage shall be administered in
17 accordance with the rule of first in time, first in right. The Party with an Adjudicated Right
18 holding the lowest priority right in Space-Available Storage shall assume responsibility for
19 evacuating their Stored Water as may be necessary to accommodate a Party with an Adjudicated
20 Right holding superior priority right. Any dispute concerning Space-Available Storage priorities,
21 except as to Basin Operating Reserve or the Individual Storage Allocation, shall be submitted first
22 to the Storage Panel for hearing and determination. The Storage Panel's determination, or lack
23 thereof, may be appealed by motion to the Court by any Party to the dispute. Any dispute
24 concerning the Community Storage Pool Allocation or the Regional Storage Allocation shall be
25 submitted first to the Storage Panel for hearing and determination. The Storage Panel's
26 determination, or lack thereof, may be appealed by motion to the Court by any Party to the
27 dispute.

28 (6) Whenever the Available Dewatered Space is needed to accom-

1 modate the priority use within a respective category of Adjudicated Storage Capacity, or WRD
2 seeks to make use of its priority right to the Basin Operating Reserve to fulfill its replenishment
3 function, the Storage Panel shall issue a notice to evacuate within ninety (90) days the respective
4 category of Adjudicated Storage Capacity or Basin Operating Reserve. Within sixty (60) days
5 after receipt of such a notice to evacuate, the Party with an Adjudicated Right receiving the notice
6 may provide a written election to the Storage Panel that it will store its Stored Water in any other
7 excess Available Dewatered Space first within the Adjudicated Storage Capacity, if available, and
8 then if all Adjudicated Storage Capacity is being fully used for Stored Water, then within the
9 Basin Operating Reserve, if available. The Party with an Adjudicated Right's Stored Water shall
10 be deemed spilled and dedicated to the Basin in furtherance of replenishment of the Adjudicated
11 Rights without compensation if the Party with an Adjudicated Right does not make a timely
12 election or if there is no excess Available Dewatered Space. No Stored Water will be deemed so
13 dedicated unless the cumulative quantity of water held as Stored Water in the Available
14 Dewatered Space exceeds one hundred and twenty thousand (120,000) acre-feet in the West
15 Coast Basin. Any dispute as to Stored Water threatening to be spilled or dedicated to the Basin
16 shall be submitted to the Court pursuant to a motion by any Party to the dispute after to the
17 expiration of sixty (60) days of the ninety-day period in the notice to evacuate.

18 B. A Party with an Adjudicated Right that seeks to convert the Stored Water
19 held as Space-Available Storage to a more firm right, may in their discretion, contract for the use
20 of another Party with an Adjudicated Right's Individual Storage Allocation, or may apply for
21 approval of its request as a Regional Storage Project, or may add such water to the Community
22 Storage Pool once space therein becomes available.

23 11. Water Augmentation

24 A. Physical and management actions of the Parties in consultation with WRD
25 shall add to the long-term reliable yield of the Basin. Innovations and improvements in
26 management practices that increase the conservation and maximization of the reasonable and
27 beneficial use of water should be promoted. To the extent that Parties to the Amended Judgment
28 in consultation with WRD implement a project that provides additional long-term reliable water

1 supply to the West Coast Basin, the annual extraction rights in the West Coast Basin will be
2 increased commensurately in an amount to be determined by the Storage Panel to reflect the
3 actual yield enhancement associated with the project. Augmented supplies of water resulting
4 from such a project may be extracted or stored as permitted in this Amended Judgment in the
5 same manner as other water.

6 B. Participation in any Water Augmentation Project shall be voluntary. The
7 terms of participation will be at the full discretion of the participating Parties. Parties who
8 propose a Water Augmentation Project (“Project Leads”) may do so in their absolute discretion,
9 upon such terms as they may determine and with Storage Panel approval. All other Parties will
10 be offered a reasonable opportunity to participate in any Water Augmentation Project on
11 condition that they share proportionately in generally common costs and benefits, and assume the
12 obligation to bear exclusively the cost of any improvements that are required to accommodate
13 their individual or peculiar needs.

14 C. Advance written notice shall be provided which reasonably describes the
15 potential project and the proposed terms under which a Party may “opt-in.” Parties shall be
16 afforded a reasonable time under the then prevailing circumstances for appropriate deliberation
17 and action by the Parties. Disputes as to the adequacy of the notice and the time for project
18 approval may be referred to the Storage Panel and then to the Court under its continuing
19 jurisdiction.

20 D. Parties may elect, in their discretion, to opt into a Water Augmentation
21 Project (“Project Participants”) so long as they agree to offer customary written and legally
22 binding assurances that they will bear their proportionate share of all costs attributable to the
23 Water Augmentation Project or provide other valuable consideration that is deemed sufficient by
24 the Project Leads and Project Participants.

25 E. All Water Augmentation Projects must be pre-approved by the Storage
26 Panel, as provided in Section V.12. The Storage Panel shall determine the amount of additional
27 groundwater extraction authorized as a result of a Water Augmentation Project, which
28 determination shall be based upon substantial evidence. The amount of additional groundwater

1 extraction shall not exceed the amount by which the Water Augmentation Project will increase
2 the long-term sustainable yield of the Basin. No extraction right shall be established and no
3 extraction shall occur until new water has been actually introduced into the Basin as a result of
4 the Water Augmentation Project. Any approval for a Water Augmentation Project shall include
5 provisions: (i) requiring regular monitoring to determine the actual amount of such new water
6 made available; (ii) requiring make up water or equivalent payment therefore to the extent that
7 actual water supply augmentation does not meet projections; and (iii) adjusting water rights
8 attributable to the Water Augmentation Project to match the actual water created. Any approval
9 for a Water Augmentation Project shall be based on a finding the Water Augmentation Project is
10 Technically Feasible and will not cause Material Physical Harm.

11 F. The right to extract augmented water from the Basin pursuant to a Water
12 Augmentation Project shall be accounted for separately and shall not be added to a Party's
13 Adjudicated Right.

14 G. A Party that elects to participate and pays its full pro-rata share of costs
15 associated with any Water Augmentation Project, and/or reaches an agreement with other
16 participants based upon other valuable consideration acceptable to the Lead Parties and the
17 remaining Project Participants, will receive a proportionate right to extract the water resulting
18 from the Water Augmentation Project.

19 H. A Party that does not elect to participate ("Non-Participating Party") will
20 not receive a right to extract water resulting from to the Water Augmentation Project. Non-
21 Participating Parties will not be required to pay any costs, fees or assessments of any kind
22 attributable to the respective Water Augmentation Project including the fees required hereunder
23 for the Watermaster duties or directly or indirectly as the WRD Replenishment Assessment.

24 I. Because water made available for Water Augmentation will be produced
25 annually, fluctuations in groundwater levels will be temporary, nominal, and managed within the
26 Basin Operating Reserve.

27 J. WRD shall not obtain any extraction right or other water right under the
28 Amended Judgment by virtue of its consultation in any Water Augmentation Project.

1 **12. Storage Procedure**

2 A. Storage Reporting and Monitoring

3 The Administrative Body (defined below) shall: (i) prescribe forms and procedures for the
4 orderly reporting of Stored Water and water from a Water Augmentation Project; (ii) maintain
5 records of all water stored in the Basin; (iii) undertake the monitoring and modeling of Storage
6 Projects, Water Augmentation Projects and New Storage Facilities required by this Judgment; and
7 (iv) provide an accounting of Stored Water and/or water from a Water Augmentation Project
8 within thirty (30) days of a written request by an Adjudicated Rights holder or a Party with rights
9 to Stored Water. For purposes of Sections V.12 and V.13 of this Amended Judgment, Water
10 Augmentation Project(s), New Storage Facilities and Storage Projects that require the approval of
11 the Storage Panel shall collectively be referred to as “Projects.”

12 B. Application and Notification Procedure

13 (1) Nothing in this Amended Judgment shall alter a Party’s duty to
14 comply with CEQA or any other applicable legal requirements as to any Project imposed by
15 applicable law. Further, no action or approval under this Amended Judgment shall constitute a
16 bar to a Party’s duty to comply with CEQA or any other legal requirements as to any Project
17 imposed by applicable law. However, a Party to this Amended Judgment who is undertaking or
18 engaging in CEQA review for a Project that requires approval by the Storage Panel shall provide
19 to the Watermaster copies of the notices required under CEQA to be provided to the public within
20 the time periods proscribed by CEQA.

21 (2) For Projects that require review and approval by the Storage Panel,
22 as provided in Section V.13, the Administrative Body shall provide appropriate applications, and
23 shall work with Project applicant(s) to complete the application documents for presentation to the
24 Storage Panel.

25 (3) The Administrative Body shall conduct the groundwater modeling
26 necessary to support a Party’s application for approval of a Project prior to the Storage Panel’s
27 hearing on said Project. Upon receipt of a notice of a lead agency’s intention to prepare a CEQA
28 Review Document, the Administrative Body shall conduct the modeling described in Section

1 V.12 of this Amended Judgment and submit such modeling to the lead agency for inclusion in the
2 proposed or draft CEQA documentation and the CEQA Review Document, subject to the Party's
3 payment of the costs of that modeling. Such modeling is not required to be conducted by the
4 Administrative Body if the Administrative Body and the Chair of the Water Rights Panel
5 determine in writing that (i) the likely rise in water levels from the proposed Project would be
6 minimal, (ii) other evidence (including any modeling prepared by the Project proponent)
7 demonstrates that the Project will not cause Material Physical Harm after consideration of the
8 factors outlined in Section V.13.B(3), and (iii) an Environmental Impact Report is not required
9 under CEQA. If the Administrative Body and the Chair of the Water Rights Panel make such a
10 determination, they shall promptly inform the entire Storage Panel. Such modeling shall
11 thereafter be conducted by the Administrative Body if either the Water Rights Panel or the Board
12 of Directors of WRD request that such modeling be conducted.

13 (4) The Party which is the proponent of a proposed Project shall bear
14 all costs associated with the Watermaster's preparation and review of the application for approval
15 of the Project and all costs associated with its implementation, including reimbursement of fees
16 and costs incurred by the Administrative Body in conducting the necessary modeling and other
17 technical studies.

18 (5) Within 30 days of receipt of an application for a Project or any
19 notification(s) associated with the CEQA review for such Project, the Administrative Body shall
20 provide written notice (either by electronic mail or U.S. postal mail) and access to a copy of the
21 Project application and/or any available CEQA documentation, including the CEQA Review
22 Document, to all Parties to the Amended Judgment. Any Party to the Amended Judgment shall
23 be entitled to submit its own report related to the Project, and the Administrative Body shall
24 consider such report in its processing of the Project application.

25 (6) As part of the application process, the Administrative Body shall
26 cause the preparation of any study or analysis necessary to determine that the Project is
27 Technically Feasible and will not cause Material Physical Harm, including the appropriate
28 modeling of the cumulative effect of the particular Project on water levels in the West Basin. The

1 Administrative Body may rely on CEQA documentation, including the CEQA Review Document,
2 for a Project for the information necessary to make a determination on Technical Feasibility and
3 Material Physical Harm and not prepare any additional analyses if the CEQA documentation
4 contains the necessary information for consideration of the Project including the groundwater
5 modeling required by this Amended Judgment.

6 C. Notice Process

7 Within thirty (30) days after submission of the final and complete Project application
8 documents (including the technical reports, CEQA Review Document and modeling results), the
9 Administrative Body shall provide notice (either by electronic mail or U.S. postal mail), and
10 access to copies of the final and complete application documents to all Parties to the Amended
11 Judgment.

12 13. Review/Approval Process

13 A. Projects Subject to Review

14 (1) Storage Projects exempt from the review and approval process
15 provided in this Section V.13 include:

- 16 • use of Total Adjudicated Production Rights, except for extraction above one hundred and
17 twenty percent (120%) of a Party's extraction right, as set out in Section IX.1;
18 • replenishment of the Basin with Replenishment Water by WRD;
19 • WRD's operations within the Basin Operating Reserve;
20 • Carryover Conversion; and
21 • Use of Existing Facilities to store water in the Individual Storage Allocation or the
22 Community Storage Pool.

23 (2) All other Projects shall be subject to review and approval, as
24 provided in this Section V.13, including, but not limited to, those projects involving:

- 25 • material variances to substantive criteria governing projects exempt from the review and
26 approval process;
27 • modifications to previously approved Projects and related agreements;
28

- 1 • a Party's proposal for Carryover Conversion in quantities greater than the express
2 apportionment of Adjudicated Storage Capacity on a non-priority, space-available, interim
3 basis, and
4 • any other means of storage not exempt by Section V.13.A(1).

5 B. Hearing and Approval Process for Watermaster Review

6 The following procedures shall be followed by the Watermaster where Storage Panel
7 review is required or permitted under this Amended Judgment.

8 (1) No later than thirty (30) days after notice has been issued in
9 accordance with Section V.12, the matter shall be set for hearing before the Storage Panel. A
10 staff report shall be submitted by the Administrative Body in conjunction with the completed
11 application documents, which report shall include proposed conditions of approval if the
12 recommendation in the staff report is to approve the Project. The Water Rights Panel may prepare
13 a separate independent staff report, if it elects to do so. Any Party to the Amended Judgment
14 shall be entitled to submit its own report, and such report shall be considered by the Storage Panel
15 as part of its review; however, a Party shall not be entitled to raise issues to the Storage Panel that
16 it failed to raise as part of any previously completed CEQA process for the Project under
17 consideration by the Storage Panel.

18 (2) Whenever feasible, the WRD Board of Directors and the Water
19 Rights Panel shall conduct a joint hearing (i.e., the presumption shall be in favor of joint
20 hearings). If a joint hearing is not held, the Water Rights Panel hearing shall be conducted in the
21 manner prescribed for public agency hearings under the Brown Act.

22 (3) Factors to be considered in reviewing a Project include (i) facilities
23 in the vicinity of the Project; (ii) proximity to drinking water wells and depths at which such wells
24 are screened; (iii) depth at which water will be added under the Project; (iv) resulting
25 groundwater elevations from the Project based on groundwater modeling conducted by the
26 Administrative Body and, if they elect to do so, the Project proponent, (v) existing contamination,
27 if any, in the vicinity of the Project; (vi) preferential groundwater pathways; (vii) the source of the
28 water for the Project; and (v) information provided by any Party.

1 (4) The WRD Board of Directors and the Water Rights Panel shall each
2 adopt written findings explaining their decision on the Project, although if both entities reach the
3 same decision, they shall work together to adopt a uniform set of findings. The findings must
4 include the evaluation of the factors identified in Section V.13.B(3) and a determination that the
5 Project is Technically Feasible and will not cause Material Physical Harm.

6 (5) The Storage Panel shall not be required to conduct a hearing on a
7 Project if it (i) reviews the CEQA Review Document adopted by a lead agency; (ii) the CEQA
8 Review Document includes the groundwater modeling required under this Amended Judgment;
9 (iii) determines that the CEQA Review Document evaluated the factors identified in Section
10 V.13.B(3); and (iv) determines that the CEQA Review Document demonstrates that the Project is
11 Technically Feasible and will not cause Material Physical Harm.

12 (6) Unless both the WRD Board of Directors and Water Rights Panel
13 approve the Project, the application shall be deemed denied (a "Project Denial"), provided,
14 however, that if either the WRD Board of Directors or the Water Rights Panel is unable to render
15 a decision on the application due to a conflict of interest arising under Section V.13 (A)(8) of this
16 Amended Judgment, then the application shall be deemed approved if the remaining body of the
17 Storage Panel approves the application. If both the WRD Board of Directors and Water Rights
18 Panel approve the Project, the Project shall be deemed approved (a "Project Approval").

19 (7) If the Storage Panel approves the Project, it may impose reasonable
20 conditions of approval on matters relevant to the Project, which shall include mandatory
21 conditions of approval including annual limits on the amount of Stored Water, annual extraction
22 limits of Stored Water, and water quality standards. The WRD Board of Directors and the Water
23 Rights Panel shall work together to adopt a uniform set of conditions of approval promulgated
24 after adoption of the Rules pursuant to Section X.1(E) and following the same review and
25 comment process set forth in Section XI.1(E).

26 (8) Neither WRD nor any member of the Water Rights Panel shall
27 render any decision on Projects subject to Watermaster review under Section V.13 of this
28 Amendment Judgment if said entity has a conflict of interest under applicable law or the rules and

1 regulations promulgated pursuant to Section XI.1(E) with respect to said Project.

2 (9) Any factual determinations made by the Watermaster, or any
3 constituent body thereof, pursuant to this section, shall be based on the substantial evidence test.

4 C. Trial Court Review

5 An applicant, Adjudicated Rights holder or a Party holding rights to Stored Water may
6 seek the Storage Panel's reconsideration of a Project Denial or Project Approval. However, there
7 shall be no process for mandatory reconsideration or mediation of a Project Approval or a Project
8 Denial either before the Administrative Body or the Water Rights Panel. Any Party may file an
9 appeal from a Project Approval or Project Denial with this Court, as further described in Section
10 XI.4.D. The Trial Court shall review the decisions of the Watermaster, Storage Panel and Water
11 Rights Panel in accordance with Section XI.4(D)

12 **14. Excess Production**

13 In order to meet possible emergencies, each of the Parties who is adjudged to have an
14 Adjudicated Right and not possessing Stored Water, is permitted to extract from the Basin in any
15 Administrative Year for beneficial use an amount in excess of each such Party's Total
16 Adjudicated Production Rights not to exceed two (2) acre-feet or ten percent (10%) of such
17 Party's Total Adjudicated Production Rights, whichever is the larger, and in addition thereto,
18 such greater amount as may be approved by the Court. Notwithstanding Section XI.4 herein, if
19 such greater amount is recommended by the Water Rights Panel, such order of Court may be
20 made *ex parte*. Each such Party so extracting water in excess of its Total Adjudicated Production
21 Rights shall be required to reduce its extractions below its Total Adjudicated Production Rights
22 by an equivalent amount in the Administrative Year next following. Such requirement shall be
23 subject to the proviso that in the event the Court determines that such reduction will impose upon
24 such a Party, or others relying for water service upon such Party, an unreasonable hardship, the
25 Court may grant an extension of time within which such Party may be required to reduce its
26 extractions by the amount of the excess theretofore extracted by such Party.

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4 **VI. PHYSICAL SOLUTION - EXCHANGE POOL**

5 As a further part of said physical solution herein imposed:

6 **1. Mandatory Offer to Exchange Pool**

7 Not less than sixty (60) days prior to the beginning of each Administrative Year, each
8 Party having supplemental water available to it through then existing facilities, other than water
9 which any such Party has the right to extract hereunder, shall file with the Water Rights Panel the
10 offer of such Party to release to the Exchange Pool the amount by which such Party's Adjudicated
11 Right exceeds one-half of the estimated total required use of water by such Party during the
12 ensuing Administrative Year, provided that the amount required to be so offered for release shall
13 not exceed the amount such Party can replace with supplemental water so available to it.

14 **2. Basis of Offer to Exchange Pool; Redetermination of Offer by Water Rights**
15 **Panel**

16 Such estimate of total required use and such mandatory offer shall be made in good faith
17 and shall state the basis on which the offer is made, and shall be subject to review and
18 redetermination by the Water Rights Panel, who may take into consideration the prior use by such
19 Party for earlier Administrative Years and all other factors indicating the amount of such total
20 required use and the availability of replacement water.

21 **3. Voluntary Offer to Exchange Pool**

22 Any Party filing an offer to release water under the mandatory provisions of this Section
23 VI may also file a voluntary offer to release any part or all of any remaining amount of water
24 which such Party has the right under this Amended Judgment to pump or otherwise extract from
25 the Basin, and any Party who is not required to file an offer to release water may file a voluntary
26 offer to release any part or all of the amount of water which such Party has the right under this
27 Amended Judgment to pump or otherwise extract from the basin. All such voluntary offers shall
28 be made not less than sixty (60) days prior to the beginning of each Administrative Year.

1 **4. Price of Water Offered to Exchange Pool**

2 Each offer to release water pursuant to this Section VI shall be the price per acre-foot
3 declared and determined at the time of the filing of such offer by the releasing Party; provided
4 that:

5 (a) such price per acre-foot shall not exceed the price that the releasing Party
6 would have to pay to obtain from others, in equal monthly amounts, through existing facilities, a
7 quantity of supplemental water equal in amount to that offered to be released; *or*

8 (b) if any such releasing Party has no existing facilities through which to
9 obtain water from others, such price shall not exceed the sum of the price per acre-foot charged
10 by MWD and West Coast Basin Municipal Water District to municipalities and public utilities for
11 water received from MWD.

12 **5. Price Dispute Objection - Water Rights Panel Determination**

13 A. In the event of a dispute as to any price at which water is offered for
14 release, any Party affected thereby may, within thirty (30) days thereafter, by an objection in
15 writing, refer the matter to the Water Rights Panel for determination. Within thirty (30) days after
16 such objection is filed, the Water Rights Panel shall consider said objection and shall make its
17 finding as to the price at which said water should be offered for release and notify all Parties.

18 B. The costs of such determination shall be apportioned or assessed by the
19 Water Rights Panel in its discretion between or to the Parties to such dispute, and the Water
20 Rights Panel shall have the power to require, at any time prior to making such determination, any
21 Party or Parties to such dispute to deposit with the Water Rights Panel funds sufficient to pay the
22 cost of such determination.

23 C. Any Party may appeal to the Court from a decision of the Water Rights
24 Panel as provided in Section XI.4. Pending the Court's determination if the water so offered has
25 been allocated, the Party making the offer shall be paid the price declared in its offer, subject to
26 appropriate adjustment upon final determination.

27 **6. Request for Water From Exchange Pool**

28 A. Not less than sixty (60) days prior to the beginning of each Administrative

1 Year, any Party whose estimated demand for water during the ensuing Administrative Year
2 exceeds the sum of all of the Party's supplies available to it from the Basin under this Amended
3 Judgment, may file with the Water Rights Panel a request for the release of water in the amount
4 that said estimated demand exceeds said available supply. Such request shall be made in good
5 faith and shall state the basis upon which the request is made, and shall be subject to review and
6 redetermination by the Water Rights Panel.

7 B. Within thirty (30) days thereafter, the Water Rights Panel shall advise, in
8 writing, those Parties requesting water of the estimated price thereof. Any Party desiring to
9 amend its request by reducing the amount requested may do so after the service of such notice.

10 C. Prior to the first day of each Administrative Year, the Water Rights Panel
11 shall determine if sufficient water has been offered to satisfy all requests. If it determines that
12 sufficient water has not been offered, it shall reduce such requests pro rata in the proportion that
13 each request bears to the total of all requests.

14 D. Not later than the first day of each Administrative Year, the Water Rights
15 Panel shall advise all Parties offering to release water of the quantities to be released by each and
16 accepted in the Exchange Pool and the price at which such water is offered. Simultaneously, it
17 shall advise all Parties requesting water of the quantities of released water allocated from the
18 Exchange Pool and to be taken by each requesting Party and the price to be paid therefore.

19 **7. Allocation of Exchange Pool Water by Water Rights Panel**

20 A. In allocating water which has been offered for release to the Exchange Pool
21 under Section VI.1, the Water Rights Panel shall first allocate that water required to be offered for
22 release and which is offered at the lowest price, and progressively thereafter at the next lowest
23 price or prices. If the aggregate quantity of water required to be released is less than the
24 aggregate quantity of all requests for the release of water made pursuant to Section VI.6, the
25 Water Rights Panel shall then allocate water voluntarily offered for release and which is offered
26 at the lowest price and progressively thereafter at the next lowest price or prices, provided that the
27 total allocation of water shall not exceed the aggregate of all such requests. Any water offered for
28 release under Section VI and not accepted in the Exchange Pool, and not allocated therefrom,

1 shall be deemed not to have been offered for release and may be extracted from the Basin by the
2 Party offering the same as if such offer had not been made.

3 B. Each Party requesting the release of water for its use and to whom released
4 water is allocated from the Exchange Pool may thereafter, subject to all of the provisions of this
5 Amended Judgment, extract such allocated amount of water from the Basin, in addition to the
6 amount such Party is otherwise entitled to extract hereunder during the Administrative Year for
7 which the allocation is made.

8 8. Exchange Pool Water Pumped Before Pumper's Own Right

9 From and after the first day of each Administrative Year, all water extracted from the
10 Basin by any Party requesting the release of water and to whom such water is allocated shall be
11 deemed to have been water so released until the full amount released for use by it shall have been
12 taken, and no such Party shall be deemed to have extracted from the Basin any water under its
13 own right so to do until said amount of released water shall have been extracted. Water extracted
14 from the Basin by Parties pursuant to their request for the release of water shall be deemed to
15 have been taken by the offerors of such water under their own rights to extract water from the
16 Basin.

17 9. Price and Payment for Water Released for Exchange Pool

18 A. All Parties allocated water under Section VI.6 shall pay a uniform price per
19 acre-foot for such water, which price shall be the weighted average of the prices at which all the
20 water allocated was offered for release.

21 B. Each Party shall pay to the Water Rights Panel, in five equal monthly
22 installments during the applicable Administrative Year, an amount equal to the quantity of water
23 allocated to it multiplied by said uniform price. The Water Rights Panel shall bill each such Party
24 monthly for each such installment, the first such billing to be made on or before the first day of
25 the second month of the Administrative Year involved, and payment therefore shall be made to
26 the Water Rights Panel within thirty (30) days after the service of each such statement. If such
27 payment be not made within said thirty (30) days such payment shall be delinquent and a penalty
28 shall be assessed thereon at the rate of one percent (1%) per month until paid. Such delinquent

1 payment, including penalty, may be enforced against any Party delinquent in payment by
2 execution or by suit commenced by the Water Rights Panel or by any Party hereto for the benefit
3 of the Water Rights Panel.

4 C. Promptly upon receipt of such payment, the Water Rights Panel shall make
5 payment for the water released and allocated, first, to the Party or Parties which offered such
6 water at the lowest price, and then through successive higher offered prices up to the total
7 allocated.

8 **VII. ADDITIONAL PUMPING ALLOWED UNDER AGREEMENT WITH WRD**
9 **DURING PERIODS OF EMERGENCY**

10 A. WRD overlies the West Coast Basin and engages in activities of
11 replenishing the groundwaters thereof with Replenishment Water. During an actual or threatened
12 temporary shortage of the Imported Water supply to West Coast Basin, WRD may, by resolution,
13 determine to subsequently replenish the Basin for any water produced in excess of a Party's
14 Adjudicated Rights hereunder, within a reasonable period of time, pursuant to Over-Production
15 Agreements with such Parties. Such Over-Production Agreements shall not exceed in the
16 aggregate ten thousand (10,000) acre-fee (the "Initial Cumulative Over-Production Cap"). WRD
17 may determine that a quantity of water is available for such agreements that exceed the Initial
18 Cumulative Over-Production Cap (the "Supplemental Over-Production Water") based on a
19 determination made after a public hearing and taking into account the water levels in the Basin
20 and the availability of water to replenish the Basin other than Imported Water. Over-Production
21 Agreements for Supplemental Over-Production Water shall be made available on an equal basis
22 to all Parties with an Adjudicated Right who (i) possess no Carryover or Stored Water, (ii) have
23 purchased Imported Water in the immediately preceding Administrative Year or will receive less
24 water from a Water Purveyor due to the declared drought curtailing that Water Purveyor's
25 available supplies, (iii) have exercised or contractually agreed to not exercise its rights under
26 Section V.14 of this Amended Judgment, and (iv) provide important goods and services to the
27 general public, provided, however, that WRD shall give priority to Parties meeting those criteria
28 who have not entered into an Over-Production Agreement for an portion of the Initial Cumulative

1 Over-Production Cap. Over-Production Agreements for Supplemental Over-Production Water
2 shall be on the same terms as required under Sections VII.D and E.

3 B. Notwithstanding any other provision of this Amended Judgment, any Party
4 with Adjudicated Rights who is (i) Water Purveyors, (ii) possess no Carryover or Stored Water,
5 and (iii) have exercised or contractually agreed to not exercise its rights under Section V.14 of
6 this Amended Judgment, is authorized to enter into agreements with WRD under which such
7 Water Purveyors may exceed their Adjudicated Rights for a particular Administrative Year (an
8 “Over-Production Agreement”) when the following conditions are met:

9 (1) WRD is in receipt of a resolution of the Board of Directors of
10 MWD stating there is an actual or immediately threatened temporary shortage of MWD’s
11 Imported Water supply compared to MWD’s needs, or a temporary inability to deliver MWD’s
12 Imported Water supply throughout its service area, which will be alleviated in part by over-
13 pumping from West Coast Basin.

14 (2) The Board of Directors of both WRD and the Water Rights Panel,
15 by resolutions, concur in the resolution of MWD’s Board of Directors and each determine that the
16 temporary overproduction in West Coast Basin will not adversely affect the integrity of the Basin
17 or the sea water barrier maintained along the coast of the West Coast Basin. In said resolution,
18 WRD’s Board of Directors shall set a public hearing, and notice the time, place and date thereof
19 (which may be continued from time to time without further notice) and which said notice shall be
20 given by First Class Mail to all Parties. Said notice shall be mailed at least ten (10) days before
21 said scheduled hearing date. At said public hearing, Parties shall be given full opportunity to be
22 heard, and at the conclusion thereof the Board of Directors of WRD by resolution (a “Drought
23 Resolution”) decides to proceed with agreements under this Section VII.

24 C. If WRD has not entered into Over-Production Agreements with Water
25 Purveyors for the entirety of the Initial Cumulative Over-Production Cap within thirty (30) days
26 after the Drought Resolution, then WRD may enter into Over-Production Agreements with other
27 Parties to this Judgment, although the amount of said Agreements shall not cause an exceedance
28 of the Initial Cumulative Over-Production Cap. In considering such Agreements with other

1 Parties, WRD shall accord priority to Parties who provide important goods and services to the
2 general public.

3 D. All Over-Production Agreements with WRD shall be subject to the
4 following requirements, and such reasonable others as WRD's Board of Directors shall require:

5 (1) The Over-Production Agreements shall be of uniform content
6 except as to the quantity involved, and any special provisions considered necessary or desirable
7 with respect to local hydrological conditions or good hydrologic practice.

8 (2) The Over-Production Agreements shall be offered to Water
9 Purveyors and Parties, excepting those which WRD's Board of Directors determine should not
10 over-pump because such over-pumping would occur in undesirable proximity to a sea water
11 barrier project designed to forestall sea water intrusion, or within, or in undesirable proximity to,
12 an area within West Coast Basin wherein groundwater levels are at an elevation where over-
13 pumping is, under all the circumstances, undesirable.

14 (3) The maximum term of any such Over-Production Agreement shall
15 be four (4) months. All such Over-Production Agreements shall commence and end on the same
16 day (and which may be executed at any time within said four month period), unless an extension
17 thereof is authorized by the Court under this Amended Judgment.

18 (4) The Over-Production Agreements shall contain provisions that the
19 Water Purveyor or Party executing the agreement pay to WRD a price, in addition to the
20 applicable Replenishment Assessment, determined on the following formula: The price per acre-
21 foot of West Basin Municipal Water District's treated domestic and municipal water for the
22 Administrative Year in which the agreement is to run, less the total of: (a) an amount per acre-
23 foot as an allowance on account of incremental cost of pumping, as determined by WRD's Board
24 of Directors; and (b) the rate of the replenishment assessment of WRD for the same
25 Administrative Year. If the term of the Over-Production Agreement is for a period which will be
26 partially in one Administrative Year and partially in another, and a change in either or both the
27 price per acre-foot of West Basin Municipal Water District's treated domestic and municipal
28 water and rate of the replenishment assessment of WRD is scheduled, the price formula shall be

1 determined by averaging the scheduled changes with the price and rate then in effect, based on
2 the number of months each will be in effect during the term of the Over-Production Agreement.
3 Any price for a partial acre-foot shall be computed pro rata. Payments shall be due and payable
4 on the principle that over-extractions under the Over-Production Agreement are the last water
5 pumped in the Administrative Year, and shall be payable as the Over-Production Agreement shall
6 provide.

7 (5) The Over-Production Agreements shall contain provisions that: (a)
8 All of such agreements (but not less than all) shall be subject to termination by WRD if, in the
9 judgment of WRD's Board of Directors, the conditions or threatened conditions upon which they
10 were based have abated to the extent over-extractions are no longer considered necessary; and (b)
11 that any individual agreement or agreements may be terminated if the WRD's Board of Directors
12 finds that Material Physical Harm has developed as a result of over-extractions by any Water
13 Purveyor or Party which have executed said Over-Production Agreements, or for any other reason
14 that WRD's Board of Directors find good and sufficient.

15 E. Other matters applicable to such Over-Production Agreements and over-
16 pumping thereunder are as follows, and to the extent they would affect obligations of the WRD
17 they shall be anticipated in said Over-Production Agreements:

18 (1) The quantity of over-pumping permitted shall be additional to that
19 which the Water Purveyor or Party could otherwise over-pump under this Amended Judgment.

20 (2) The total quantity of permitted over-pumping under all said
21 agreements during said four months shall not exceed ten thousand (10,000) acre-feet, but the
22 individual Water Purveyor or Party shall not be responsible or affected by any violation of this
23 requirement. That total is additional to over-extractions otherwise permitted under this Amended
24 Judgment.

25 (3) Only one four-month period may be utilized by WRD in entering
26 into such Over-Production Agreements, as to any one emergency or continuation thereof declared
27 by MWD's Board of Directors under Section VII.B(2) hereof.

28 (4) If any Party claims that it is being damaged or threatened with

1 damage by the over-extractions by any Party to such an Over-Production Agreement, the Water
2 Rights Panel or any Party hereto may seek appropriate action of the Court for termination of any
3 such Over-Production Agreement upon notice of hearing served on all Parties. Any such
4 termination shall not affect the obligation of the Party having entered into an Over-Production
5 Agreement pursuant to this Section to make payments under the Over-Production Agreement for
6 over-extractions which previously occurred thereunder.

7 (5) WRD shall maintain separate accounting and a separate fund of the
8 proceeds from payments made pursuant to agreements entered into under this Section. Said fund
9 shall be utilized solely for purposes of replenishment and the replacement of waters in West Coast
10 Basin. WRD shall, as soon as practicable, cause replenishment in West Coast Basin by the
11 amounts to be over-extracted pursuant to this Section, whether through spreading, injection, or in-
12 lieu agreements.

13 (6) Over-extractions made pursuant to the said Over-Production
14 Agreements shall not be subject to the "make up" provisions provided in Section V.14, provided,
15 that if any Party fails to make payments as required by the Over-Production Agreement, Water
16 Rights Panel may require such "make up" under Section V.14.

17 (7) The Water Purveyor or Party under any such Over-Production
18 Agreement may, and is encouraged to, enter into appropriate arrangements with customers who
19 have Adjudicated Rights in West Coast Basin under or pursuant to this Amended Judgment,
20 whereby the Water Purveyor or Party will be assisted in meeting the objectives of the agreement.

21 (8) Nothing in this Section VII limits the exercise of the reserved and
22 continuing jurisdiction of the court as provided in Sections XII and XIII hereof.

23 **VIII. INJUNCTION**

24 Upon entry of this Amended Judgment, each of the Parties hereto, their successors and
25 assigns, and each of their agents, employees, attorneys, and any and all persons acting by,
26 through, or under them or any of them, are and each of them is hereby perpetually enjoined and
27 restrained from pumping or otherwise extracting from the Basin any water in excess of said
28 Party's Adjudicated Rights, except as otherwise provided in this Amended Judgment. Consistent

1 with the Order Amending Judgment to Provide Exclusion Zone, dated December 21, 1995, no
2 person shall construct, operate or maintain a well for the production of groundwater within 2,000
3 feet of any seawater barrier injection well operated in connection with the West Coast Basin
4 Seawater Barrier Project.

5 **IX. LIMITATIONS UPON EXTRACTION; ORDER OF PRODUCTION**

6 **1. Limits on Extractions**

7 The total extraction right for an Administrative Year includes a Party's Total Adjudicated
8 Production Right (to the extent not transferred by agreement or otherwise), and any right to
9 extract Stored Water or Carryover as provided in this Amended Judgment. Any Party who has
10 Carryover and/or Stored Water in the aggregate amount equal to or exceeding twenty percent
11 (20%) of the Party's Total Adjudicated Production Right shall be allowed to extract, in any one
12 Administrative Year, up to one-hundred and twenty percent (120%) of the Party's Total
13 Adjudicated Production Right, except upon prior approval by the Storage Panel, as provided
14 herein. Upon application, the Storage Panel shall approve a Party's request to extract water in
15 excess of one hundred and twenty percent (120%) of such limitation consistent with Section
16 V.13.B. Requests to extract water in excess of one hundred and twenty percent (120%) of a
17 Party's Total Adjudicated Production Right shall be reviewed and either approved or denied by
18 the Storage Panel in accordance with the procedure set forth in Section V.13 of this Amended
19 Judgment.

20 **2. Prioritization of Production**

21 Except as provided in Section V.6.D, unless a Party elects otherwise, production of water
22 from the Basin for the use or benefit of the Parties hereto shall be credited to each such Party in
23 the following order: (i) Exchange Pool production; (ii) production of Carryover Water (but
24 excluding the Carryover Water described in Section V.4.C, (iii) production of water pursuant to a
25 lease or other agreement of an Adjudicated Right; (iv) production of water pursuant to that
26 Party's Adjudicated Right; (v) production of Stored Water; (vi) the production of the Carryover
27 Water described in Section V.4.C; and (vi) emergency production pursuant to an Over-Production
28 Agreement with WRD pursuant to Section VII.

1 **X. LOSS OF DECREED RIGHTS**

2 A. It is in the best interests of the Parties herein and the reasonable beneficial
3 use of the Basin and its water supply that no Party be encouraged to take and use more water than
4 is actually required. Failure to produce all of the water to which a Party is entitled hereunder shall
5 not, in and of itself, be deemed or constitute an abandonment of such Party's right in whole or in
6 part.

7 B. No taking of water under Sections III, V, VI and VII hereof, by any Party
8 to this action shall constitute a taking adverse to any other Party; nor shall any Party to this action
9 have the right to plead the statute of limitations or an estoppel against any other Party by reason
10 of its said extracting of water from the Basin pursuant to a request for the release of water; nor
11 shall such release of water to the Exchange Pool by any Party constitute a forfeiture or
12 abandonment by such Party of any part of its Adjudicated Right to water; nor shall such release in
13 anywise constitute a waiver of such right although such water, when released under the terms of
14 this Amended Judgment may be devoted to a public use; nor shall such release of water by any
15 such Party in anywise obligate any Party so releasing to continue to release or furnish water to
16 any other Party or its successor in interest, or to the public generally, or to any Party thereof,
17 otherwise than as provided herein.

18 **XI. WATERMASTER**

19 **1. Appointment**

20 A. The constituent bodies specified below are, jointly, hereby appointed
21 Watermaster to administer this Amended Judgment, for an indefinite term, but subject to removal
22 by the Court. Collectively such bodies, which together shall constitute the "Watermaster," shall
23 have restricted powers, duties and responsibilities as specified herein, it being the Court's
24 intention that particular constituent bodies of the Watermaster have only limited and specified
25 powers over certain aspects of the administration of this Amended Judgment.

26 B. The Outgoing Watermaster has agreed to exercise reasonable diligence in
27 the complete transition of Watermaster duties and responsibilities within a reasonable time
28 following entry of this order, and to make available to the new Watermaster all records

1 concerning Watermaster activities.

2 C. Watermaster, and each of its constituent bodies, as designated below, exist
3 as a special master pursuant to this Amended Judgment and serve at the pleasure of the Court.
4 Nothing herein shall be construed as creating an independent designation of "Watermaster" as a
5 public agency subject to the provisions of CEQA.

6 D. Chair of the Water Rights Panel (defined below) shall represent the
7 Watermaster before the Court subject to the provisions of Sections XI.2(B)(1) of this Amended
8 Judgment.

9 E. The Administrative Body and the Water Rights Panel, acting jointly as the
10 Watermaster, shall adopt Watermaster Rules that are reasonably necessary to carry out this
11 Amended Judgment and are consistent with this Amended Judgment. Said Rules shall also
12 include provisions for the appropriate application of existing laws to actions by the Watermaster
13 concerning conflicts of interests; limiting gifts and monies to individuals holding a position on or
14 in any constituent body of Watermaster; hiring outside contractors and consultants; and use of
15 fees and assessments paid to the Watermaster authorized under this Amended Judgment. Within
16 ninety (90) days after entry of this Amended Judgment, the Watermaster shall issue draft
17 Watermaster Rules. The Watermaster Rules and any subsequent amendments shall be subject to
18 a 30 day review and comment period by the Adjudicated Rights holders. The Watermaster is
19 required to respond to all comments received during the 30 day review and comment period
20 within a reasonable amount of time. Thereafter, the Watermaster is required to hold a hearing on
21 the final Watermaster Rules or any amendments before submittal to the Court for review. The
22 Watermaster Rules, and any subsequent amendments thereto, shall be presented to the Court for
23 review and approval upon a noticed motion in the manner set forth in Section XI.4.D herein.

24 **2. Watermaster Constituents**

25 A. Administrative Body

26 WRD is appointed the Administrative Body of the West Coast Basin Watermaster
27 ("Administrative Body"). In order to assist the Court in the administration and enforcement of
28 the provisions of this Amended Judgment and to keep the Court fully advised, the Administrative

1 Body shall have the following duties, powers and responsibilities in addition to those before or
2 hereafter provided in this Judgment.

3 (1) *Require Reports, Information and Records*

4 In consultation with the Water Rights Panel, the Administrative Body shall require the
5 Parties to furnish such reports, information and records as may be reasonably necessary to
6 determine compliance or lack of compliance by any Party with the provisions of this Amended
7 Judgment. The Administrative Body shall collect and assemble the records and other data
8 required of the Parties hereto, and evaluate such records and other data as part of its duties herein.
9 The Water Rights Panel shall make its records available to the Administrative Body for record-
10 keeping. The Administrative Body shall maintain copies of all records prepared or received by
11 each body of the Watermaster consistent with the Watermaster Rules. Subject to compliance with
12 all applicable laws protecting the disclosure of a party's confidential or proprietary information,
13 the Administrative Body shall allow any Party or its representative to inspect and copy the
14 Watermaster's records and other data during normal business hours and in accordance with the
15 rules and regulations promulgated by the Watermaster hereafter.

16 (2) *Notices by Watermaster*

17 The Administrative Body shall provide notice to all Parties of all material actions or
18 determinations by the Watermaster or any constituent body thereof, which shall be defined or
19 delineated in the Watermaster Rules, and as otherwise provided by this Amended Judgment. The
20 Administrative Body shall set a regular meeting day per month where it can hold a meeting and is
21 required to post the agenda and give notice per the Watermaster Rules. The Watermaster Rules
22 shall identify the days of the month on which the Storage Panel shall hold noticed meetings when
23 a meeting is necessary. If notice is required to be given per email, then the timing for the notice is
24 5 business days. If the notice is required to be given per U.S. mail, then the timing for the notice
25 is 10 business days. No action or determination of the Watermaster or the constituent bodies
26 thereof shall be valid unless the notice requirements are satisfied.

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(3) *Annual Groundwater Monitoring*

The Administrative Body shall undertake at least one annual groundwater modeling event to evaluate the current condition of the Basin and determine that cumulatively, all Existing Facilities and New Storage Facilities do not pose actual or an imminent threat of Material Physical Harm. Said groundwater modeling shall incorporate the results of modeling conducted by the Administrative Body in accordance with Section V.12 of this Amended Judgment for the Storage Panel's review. The Administrative Body shall provide the Parties notice of and access to the results of the annual groundwater modeling, which notice may be by delivery of the Watermaster's annual report.

(4) *Annual Report*

On or before October 15 of every year, the Administrative Body shall prepare and deliver an annual report for the consideration of the Water Rights Panel. On or before December 15 of every year, the Watermaster shall report to the Court on the Basin and, for that purpose, may adopt the report of the Administrative Body, or separately may make its own report. Each annual report to the Court shall include, but not be limited to, the following:

- All water extractions in the Basin, including that by producers who have no Adjudicated Right;
- Storage accounts maintained by each Party, including Carryover Conversion;
- Proposed and ongoing Water Augmentation Projects;
- Proposed and ongoing Storage Projects;
- Proposed and constructed New Storage Facilities;
- The results of groundwater modeling conducted by the Administrative Body consistent with Section V.12 of this Amended Judgment during the preceding year, which modeling shall include modeling necessary to assess the cumulative effect on water levels in the Basin;
- Exchange Pool operation;
- Use of Developed Water, including Imported Water;
- Violations of the Amended Judgment and corrective action taken by the bodies of the Watermaster having jurisdiction as provided in this Amended Judgment;

- 1 • Change of ownership of Adjudicated Rights;
- 2 • Watermaster administration costs;
- 3 • Water spread or injected into the Basin, including water injected for seawater intrusion
- 4 barriers;
- 5 • Development of Material Physical Harm, or imminent threat of the development of Material
- 6 Physical Harm; and
- 7 • Recommendations, if any.

8 (5) *Carryover Conversion Payment*

9 All payments of the Replenishment Assessment received by WRD
10 from a Party converting Carryover to Stored Water shall be maintained and accounted for by
11 WRD separate from any other funds held by WRD, either in its capacity as the Administrative
12 Body or in its statutory capacity under the WRD Act. WRD shall use said Replenishment
13 Assessments solely for the purpose of securing Replenishment Water for causing replenishment
14 of the West Basin. WRD shall provide an accounting of the monies received, how spent, and, if
15 not spent within an Administrative Year, the total amount maintained by WRD and the reason for
16 not utilizing the funds for that Administrative Year.

17 (6) *Annual Budget and Appeal Procedure in Relation Thereto*

18 (a) At all times, the Administrative Body shall maintain a
19 separation in accounting between the expense for performing the administrative functions
20 specified in this Amended Judgment (the “Administrative Budget”) and WRD’s Replenishment
21 Assessment and operating budget. By April 1 of each Administrative Year, the Administrative
22 Body shall prepare a tentative Administrative Budget for the subsequent year. The Administrative
23 Body shall mail a copy of said tentative Administrative Budget to each of the Parties at least sixty
24 (60) days before the beginning of each Administrative Year. For the first Administrative Year of
25 operation under this Amended Judgment, if the Administrative Body is unable to meet the above
26 time requirement, the Administrative Body shall mail said copies as soon as possible. The
27 Administrative Budget mailed to the Parties shall provide sufficient detail in the Administrative
28 Budget to demonstrate a separation in accounting between the Administrative Budget and WRD’s

1 Replenishment Assessment and operating budget.

2 (b) The first year that the Administrative Budget is prepared by
3 the Administrative Body pursuant to this Amended Judgment, the amount of that budget shall not
4 exceed an amount equal to fifty percent (50%) of the 2013-2014 charge for Watermaster service
5 for the West Coast Basin collected from Parties by the Outgoing Watermaster (the “Base Budget
6 Amount”). All increases in future budgets for the Administrative Body above the amount set forth
7 above shall be subject to approval by the Water Rights Panel following a public meeting to be
8 held prior to the beginning of the Administrative Year, provided that the approved budget shall
9 not be less than the amount of the first-year budget for the Administrative Body, except upon
10 further order of the Court. Any administrative function by WRD already paid for by the
11 Replenishment Assessment shall not be added as an expense in the Administrative Budget. Any
12 expense or cost attributable to performing the duties of the Administrative Body imposed by this
13 Amended Judgment shall not be added to WRD’s operating budget, or otherwise added to the
14 calculation of the Replenishment Assessment. WRD, operating under the WRD Act,
15 acknowledges that it has been preparing and maintaining financial statements and budgets in
16 accordance with generally accepted accounting principles for state and local governments
17 (GAAP) and conducting audits in accordance with generally accepted government auditing
18 standards (GAGAS). In order to fulfill those budget and accounting provisions of the Amended
19 Judgment relating to WRD acting in its statutory capacity, WRD agrees, acting under the WRD
20 Act, to (i) continue its practice of preparing and maintaining financial statements and budgets in
21 accordance with GAAP and conducting audits in accordance with GAGAS and (ii) certify, each
22 year after an audit is completed within three (3) months after end of the Administrative Year, that
23 no expense in WRD’s operating budget or its Replenishment Assessment was charged or assessed
24 contrary to the express provisions of Sections XI.2A5, 6 and 7 of the Amended Judgment. While
25 WRD may approve the proposed Administrative Budget at the same meeting in which WRD
26 adopts its annual Replenishment Assessment or annual budget, the Administrative Body’s budget
27 shall be separate and distinct from the Replenishment Assessment imposed pursuant to Water
28 Code § 60317 and WRD’s operating budget. If approval by the Water Rights Panel is required

1 pursuant to the foregoing, the Water Rights Panel shall act upon the proposed budget within 15
2 calendar days after the public meeting. If the Water Rights Panel does not approve the budget
3 prior to such deadline, the matter may be appealed to the Court within sixty (60) days.

4 (c) If any Party has any objection to the Administrative Budget,
5 it shall present the same in writing to the Watermaster within fifteen (15) days after the date of
6 mailing of said tentative budget by the Administrative Body. The Parties shall make the
7 payments otherwise required of them to the Administrative Body even though an appeal of such
8 budget may be pending. Upon any revision by the Court, the Administrative Body shall either
9 remit to the Parties their pro rata portions of any reduction in the budget, or shall credit their
10 accounts with respect to their budget assessments for the next ensuing Administrative Year, as the
11 Court shall direct.

12 (d) The Administrative Body shall prepare and maintain
13 financial statements and budgets in accordance with generally accepted accounting principles
14 (GAAP) for state and local governments in order to meet this requirement. Audits will be
15 conducted in accordance with generally accepted government auditing standards (GAGAS). The
16 Administrative Body shall, each year after an audit is completed, certify within three (3) months
17 after end of the Administrative Year that no expense was part of the budget or paid for by the
18 budget contrary to the Amended Judgment.

19 (7) *Administrative Budget as Parties' Costs*

20 (a) The amount of the Administrative Budget to be assessed to
21 each Party shall be determined as follows: If that portion of the final Administrative Budget to be
22 assessed to the Parties holding an Adjudicated Right is equal to or less than twenty dollars
23 (\$20.00) per said Party then the cost shall be equally apportioned among said Parties. If that
24 portion of the final Administrative Budget to be assessed to said Parties is greater than twenty
25 dollars (\$20.00) per said Party then each Party holding an Adjudicated Right shall be assessed a
26 minimum of twenty dollars (\$20.00), the amount of revenue expected to be received through the
27 foregoing minimum assessments shall be deducted from that portion of the final Administrative
28 Budget to be assessed to the Parties holding an Adjudicated Rights and the balance shall be

1 assessed to the Parties having Adjudicated Rights, such balance being divided among them
2 proportionately in accordance with their respective Adjudicated Rights. As a condition of
3 approving a Regional Storage Project or a Water Augmentation Project, the Storage Panel shall
4 require any Party participating in such a Project who does not hold an Adjudicated Right to pay a
5 portion of the Administrative Body's budget consistent with the amount of water that can be
6 stored by the Regional Storage Project relative to the total amount of Adjudicated Rights.

7 (b) Payment of the assessment provided for herein, subject to
8 adjustment by the Court as provided, shall be made by each such Party prior to beginning of the
9 Administrative Year to which the assessment relates, or within forty (40) days after the mailing of
10 the tentative Administrative Budget, whichever is later. If such payment by any Party is not made
11 on or before said date, the Administrative Body shall add a penalty of five percent (5%) thereof to
12 such Party's statement. Payment required of any Party hereunder may be enforced by execution
13 issued out of the Court, or as may be provided by order hereinafter made by the Court, or by other
14 proceedings by the Watermaster or by any Party hereto on the Watermaster's behalf.

15 (c) All such payments and penalties received by the
16 Administrative Body shall be expended by it for the administration of this Amended Judgment.
17 Any money remaining at the end of any Administrative Year shall be available for such use in the
18 following Administrative Year. The Administrative Body shall maintain no reserves.

19 (8) *Concerns About Material Physical Harm*

20 Any Party shall raise concerns regarding actual or an imminent threat of Material Physical
21 Harm to the Administrative Body or the Storage Panel prior to filing a motion with the Court
22 unless the Party reasonably believes that irreparable harm to the Basin or itself is imminent if the
23 Court does not order provisional relief. If reasonable concerns are raised to the Administrative
24 Body, it shall promptly consider any such concerns including undertaking any investigation,
25 modeling or other technical analysis necessary to address the concern. The Administrative Body
26 shall provide written notice of its determination, and copy of its report, to all Parties by either
27 electronic mail or U.S. postal mail. If a Party disagrees with the Administrative Body's
28 conclusion, the Party may request a hearing before the Storage Panel. Any hearing before the

1 Storage Panel shall proceed as outlined in Section V.13.B. Any decision of the Storage Panel
2 shall be reviewable by the Court in accordance with Section XI.4.

3 (9) *Other Administrative Body Duties*

4 The Administrative Body shall perform such other duties as directed by the Court and the
5 Watermaster Rules.

6 B. The Water Rights Panel

7 The Water Rights Panel shall consist of five (5) members from among representatives of
8 the Parties holding Adjudicated Rights under this Amended Judgment. Three (3) of the members
9 shall be the elected officers of president, vice-president and treasurer of the West Basin Water
10 Association and the remaining two (2) members shall be selected by the Board of Directors of the
11 West Basin Water Association. At least one (1) member of the Water Rights Panel shall be a
12 non-Water Purveyor Adjudicated Rights holder possessing at least 1% of the Adjudicated Rights
13 in the Basin. Members of the Water Rights Panel shall serve without compensation. The Water
14 Rights Panel shall take action by majority of its members. The Water Rights Panel shall have the
15 following duties and responsibilities:

16 (1) *Judicial Action Concerning Adjudicated Rights and Stored Water*

17 As among the other bodies of the Watermaster, the Water Rights Panel shall (i) have
18 exclusive authority to move the Court to take such action as may be necessary to enforce the
19 terms of the Amended Judgment, including but not limited to matters involving the extraction
20 and maintenance of Adjudicated Rights, provided, however, that in matters involving Stored
21 Water, the Water Rights Panel and the WRD Board of Directors must concur in the decision to
22 take judicial action, in which case the Chair of the Water Rights Panel shall represent the Storage
23 Panel in such action. If the WRD Board of Directors does not concur in taking judicial action, any
24 Party may file a motion with the Court concerning the matter in their status as Parties to the
25 Judgment if permitted by Section XIII of this Amended Judgment. No Party to the Amended
26 Judgment waives any rights to seek relief or review of the decisions of the Watermaster or any
27 body thereof. The Water Rights Panel's retention of legal counsel shall comply with the
28 Watermaster Rules.

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(2) *Requirement of Measuring Devices*

The Water Rights Panel shall require all parties owning or operating any facilities for the extraction of groundwater from West Basin to install and maintain at all times in good working order at such party's own expense, appropriate measuring devices at such times and as often as may be reasonable under the circumstances and to calibrate or test such devices.

(3) *Inspections by Watermaster*

Subject to compliance with all applicable laws protecting the disclosure of a party's confidential or proprietary information, the Water Rights Panel may make inspections of groundwater production facilities, including aquifer storage and recovery facilities, and measuring devices at such times and as often as may be reasonable under the circumstances and to calibrate or test such devices.

(4) *Reports*

The Water Rights Panel shall be responsible for reporting to the Court concerning Adjudicated Rights in the Basin, including any and all of the following:

- Groundwater extractions;
- Exchange Pool operation;
- Violations of this Amended Judgment and corrective action taken or sought;
- Change of ownership of an Adjudicated Right;
- Assessments made by the Water Rights Panel and any costs incurred;
- Development of Material Physical Harm, or imminent threat of the development of Material Physical Harm; and
- Recommendations, if any.

(5) *Assessment*

The Water Rights Panel shall assess holders of Adjudicated Rights within the West Coast Basin an annual amount not to exceed one dollar (\$1.00) per acre-foot of Adjudicated Rights, by majority vote of the members of the Water Rights Panel. The Water Rights Panel may assess a higher amount, subject to being overruled by Majority Protest. If an assessment is assessed in excess of one dollar (\$1.00) per acre-foot, the assessment shall only be applied for that

1 Administrative Year. The assessment is intended to cover any costs associated with any
2 Amended Judgment enforcement action, the reporting to the Court pursuant to Section XI.2.B(1),
3 and the review of Storage Projects as a component of the Storage Panel, as provided herein. It is
4 anticipated that this body will rely on the Administrative Body's staff for most functions, but the
5 Water Rights Panel may engage its own staff if required in its reasonable judgment and in
6 accordance with the Watermaster Rules. The Water Rights Panel shall prepare and maintain
7 financial statements and budgets in accordance with generally accepted accounting principles
8 (GAAP) for state and local governments in order to meet this requirement. Every other year, the
9 Water Rights Panel shall cause a Review of its Financial Statements by a certified public
10 accountant. The Water Rights Panel shall, each year after a review is completed, certify within
11 three (3) months after end of the Administrative Year that no expense was part of the budget or
12 paid for by the budget contrary to the Amended Judgment. As a condition of approving a
13 Regional Storage Project or a Water Augmentation Project, the Storage Panel will require any
14 Party participating in such a Project who does not hold an Adjudicated Right to pay a reasonable
15 portion of the Water Rights Panel's budget consistent with the amount of water that can be stored
16 by the Regional Storage Project relative to the total amount of Adjudicated Rights.

17 (6) *Notices*

18 The Water Rights Panel shall, to the extent practical, hold regular meetings on a quarterly
19 basis or more often as needed. Notices of meetings of the Water Rights Panel shall be provided
20 as required under Section XI.2.A(2).

21 C. The Storage Panel

22 The Storage Panel of the Watermaster shall be a bicameral body consisting of (i) the West
23 Coast Basin Water Rights Panel and (ii) the Board of Directors of WRD. Action by the Storage
24 Panel shall require separate action by each of its constituent bodies provided, however, that action
25 can be taken by each constituent body at a joint hearing. The Storage Panel shall have the duties
26 and responsibilities specified with regard to the provisions for the storage and extraction of Stored
27 Water as set forth in Section V and elsewhere within this Amended Judgment.

28

1 D. Capacity As Court-Appointed Watermaster

2 In performing any duty not required by any other law or regulation, specifically set forth
3 within this Amended Judgment and in conformance with all requirements for said duty therein for
4 the Administrative Body, the Water Rights Panel or the Storage Panel then those bodies shall be
5 deemed to act solely as the Court's appointed Watermaster and not in any other capacity.

6 3. **Limitations on Powers and Duties of the Watermaster and its Constituent**
7 **Bodies**

8 A. Use of Facilities and Data Collected by Other Governmental Agencies

9 Where practicable, the three bodies constituting the Watermaster should not duplicate the
10 collection of data relative to conditions of the West Coast Basin which is then being collected by
11 one or more governmental agencies, but where necessary each constituent body of the
12 Watermaster may collect supplemental data. Where it appears more economical to do so, the
13 Watermaster and its constituent bodies are directed to use such facilities of other governmental
14 agencies as are available to it at either no cost or cost agreements with respect to the data
15 collection, receipt of reports, billings to Parties, mailings to Parties, and similar matters.

16 B. Limitations on WRD's Leasing Authority

17 WRD shall not engage in a lease of Adjudicated Rights, Stored Water or any other water
18 within the Basin to or from any Party or third party, provided, however, that the foregoing
19 prohibition shall (i) not apply during any emergency declared pursuant to Section VII of this
20 Judgment, (ii) not be interpreted to restrict WRD's ability or authority to lease in water from any
21 source or entity for purposes of replenishment of the Basin or for water quality activities, and (iii)
22 not apply to any reclaimed, recycled or remediated water that may be developed by WRD
23 pursuant to its replenishment authority under WRD's enabling act (California Water Code
24 Section 60000 *et seq.*).

25 C. Wasted and Nonchargeable Production Authorized By Watermaster

26 (1) In the event there is a rapid increase in the salinity of water
27 produced from a well within the Basin and the Party producing the water has reason to believe
28 that such increased salinity is the result of or potentially relates to sea water intrusion into the

1 Basin, a Party may petition the Administrative Body, acting on behalf of the Watermaster, for its
2 consent to make various changes in the operation of said well and waste the production therefrom
3 during such changed conditions, in an effort to identify the reason for the rapid increase in salinity
4 of the water produced from such well and to attempt to discover a method of operation for said
5 well which will decrease the salinity of the water produced therefrom to such an extent that the
6 well may be used in the future as part of the potable water supply of said Party.

7 (2) Upon receipt of such petition, the Administrative Body shall
8 consult with the Los Angeles County Flood Control District and may consult with others, as
9 needed, to determine whether such increased salinity in the water produced from said well
10 potentially relates to sea water intrusion into the Basin. After such consultation, should the
11 Administrative Body determine that the higher saline water produced from said well potentially
12 relates to sea water intrusion, the Administrative Body may issue a written approval that
13 authorizes the production and waste of water from said well in a manner which seeks to analyze
14 and find a method of well operation for correction of the increased salinity of the water produced
15 therefrom (a "Salinity Pumping Approval"). Such authorized water production and the waste
16 thereof shall not be charged to the production right of such producing Party and shall be exempt
17 from WRD's Replenishment Assessment.

18 (3) Regardless of the number of applications therefor, the
19 Administrative Body may authorize a maximum aggregate of 100 acre feet per fiscal year of
20 pumping and water wasting activities authorized under Salinity Pumping Approvals.

21 (4) If, during such authorized water production and waste thereof, such
22 produced water becomes potable or is used by such producer, the Administrative Body shall
23 immediately issue an order terminating the Salinity Pumping Approval.

24 (5) The results of all such Salinity Pumping Approvals shall be made
25 available to any party herein upon request therefor to the Watermaster.

26 D. Material Physical Harm

27 The Storage Panel shall consider any reasonable concern that a Storage Project, Water
28 Augmentation Project or New Storage Facility either individually or cumulatively is causing or is

1 reasonably likely to cause an imminent threat of Material Physical Harm made pursuant to a
2 report or request for hearing received pursuant to Section XI.2.A(8) of this Amended Judgment.
3 The Storage Panel shall act on that matter in accordance with Section V,13(B) of this Amended
4 Judgment. Any Party objecting to the Storage Panel's decision may file a motion with the Court
5 pursuant to Section XI.4.D of this Amended Judgment.

6 **4. Appeal from Watermaster Decisions Other Than With Respect to Budget**

7 A. The provisions of this Section shall not apply to budgetary matters, as to
8 which the appellate procedure is provided in Section XI.2.A(6).

9 B. Any Party who objects to any rule, determination, order or finding made by
10 the Watermaster, or any constituent body of the Watermaster, may, but is not required to, object
11 in writing delivered to the Administrative Body within thirty (30) days after the date the
12 constituent body of Watermaster mails written notice of the making of such rule, determination,
13 order or finding.

14 C. Within thirty (30) days after such delivery, the Watermaster, or the affected
15 constituent body thereof, shall consider said objection and shall amend or affirm the ruling,
16 determination, order or finding and shall give notice thereof to all Parties.

17 D. Within sixty (60) days from the date of said notice of a final ruling,
18 determination, order or finding of a constituent body of the Watermaster, any objecting Party may
19 file with the Court its objection to such final rule, determination, order or finding, and may bring
20 the same on for hearing before the Court at such time as the Court may direct, after first having
21 served said objection upon all other Parties. The Court may affirm, modify, amend or overrule
22 any such rule, determination, order or finding. Any factual determinations made by the
23 Watermaster or any constituent body thereof, shall be reviewed by the Court based on substantial
24 evidence in light of the whole record, and any questions of law shall be reviewed de novo.

25 E. Any objection under this paragraph shall not stay the rule, determination,
26 order or finding of a constituent body of the Watermaster. However, the Court, by ex parte order,
27 may provide for a stay thereof on application of any interested Party on or after the date that any
28 such Party delivers to the pertinent constituent body of the Watermaster any written objection.

1 **XII. RESERVED AND CONTINUING JURISDICTION OF COURT**

2 The Court hereby reserves continuing jurisdiction and, upon application of any Party
3 hereto having an Adjudicated Right or upon its own motion, may review: (1) its determination of
4 the safe yield of the Basin, or (2) the Adjudicated Rights, in the aggregate, of all of the Parties as
5 affected by the abandonment or forfeiture of any such rights, in whole or in part, and by the
6 abandonment or forfeiture of any such rights by any other person or entity, and, in the event
7 material change be found, to adjudge that the Adjudicated Right of each Party shall be ratably
8 changed; provided, however, that notice of such review shall be served on all Parties hereto
9 having Adjudicated Rights or any other right under this Amended Judgment to extract
10 groundwater at least thirty (30) days prior thereto. Except as provided herein, and except as
11 rights decreed herein may be abandoned or forfeited in whole or in part, each and every right
12 decreed herein shall be fixed as of the date of the entry hereof.

13 **XIII. JUDGMENT MODIFICATIONS AND FURTHER ORDERS OF COURT**

14 A. The Court further reserves jurisdiction so that at any time, upon its own motion or
15 upon application of any Party hereto having an Adjudicated Right, and upon at least thirty (30)
16 days' notice to all such Parties, to make such modifications of or such additions to, the provisions
17 of this Amended Judgment, or make such further order or orders as may be necessary or desirable
18 for the adequate enforcement, protection or preservation of the Basin and of the rights of the
19 Parties as herein determined.

20 B. This Amended Judgment does not determine nor affect the determination of
21 whether WRD's adoption of a Replenishment Assessment complied with applicable laws in the
22 event that any Replenishment Assessment is challenged in a legal action.

23 **XIV. RESERVATION OF RIGHTS**

24 All Parties retain all rights not specifically determined herein, including any right, by
25 common law or otherwise, to seek compensation for damages arising out of any act or omission
26 of any person. WRD retains any rights, powers or privileges that it may now have or may
27 hereafter have by reason of provision of law, including but not limited to the WRD Act, provided
28 that WRD shall perform any express duty or obligation specifically imposed on it, either in its

1 capacity as the Administrative Body or its statutory capacity, by this Amended Judgment.
2 Further, this Amended Judgment shall not excuse any Party from complying with any applicable
3 law, regulation or order.

4 **XV. DESIGNEES OF PARTIES FOR FUTURE NOTICE AND SERVICE**

5 A. Service of this Amended Judgment on those Parties who have executed and
6 filed with the Court "Agreement and Stipulation for Judgment" or otherwise have named a
7 designee, filed the same herein and have therein designated a person thereafter to receive notices,
8 requests, demands, objections, reports, and all other papers and processes in this cause, shall be
9 made by first class mail, postage prepaid, addressed to such designees (or their successors) and at
10 the address designated for that purpose.

11 B. Each Party who has not heretofore made such a designation shall, within
12 thirty (30) days after the Amended Judgment herein shall have been served upon that Party or its
13 designee, file with the Court, with proof of service of a copy thereof upon the Watermaster, a
14 written designation of the person to whom and the address at which all future notices,
15 determinations, requests, demands, objections, reports and other papers and processes to be
16 served upon that Party or delivered to that Party, are to be so served or delivered.

17 C. A later substitute or successor designation filed and served in the same
18 manner by any Party shall be effective from the date of such filing as to the then future notices,
19 determinations, requests, demands, objections, reports and other papers and processes to be
20 served upon or delivered to that Party.

21 D. Delivery to or service upon any Party by the Watermaster, by any other
22 Party, or by the Court, of any item required to be served upon or delivered to a Party under or
23 pursuant to this Amended Judgment, may be by deposit in the mail, first class, postage prepaid,
24 addressed to the latest designee and at the address in said latest designation filed by that Party.

25 E. Parties hereto who have not entered their appearance or whose default has
26 been entered and who are adjudged herein to have an Adjudicated Right, and who have not
27 named a designee for service herein, shall be served with all said future notices, papers and
28 process herein, and service herein shall be accomplished, by publication of a copy of such said

1 notice, paper or process addressed to, "Parties to the West Coast Basin Adjudication"; said
2 publication shall be made once each week for two successive weeks in a newspaper of general
3 circulation, printed and published in the County of Los Angeles, State of California, and
4 circulated within the West Coast Basin Area; the last publication of which shall be at least two
5 weeks and not more than five weeks immediately preceding the event for which said notice is
6 given or immediately preceding the effective date of any order, paper or process; in the event an
7 effective date other than the date of its execution is fixed by the Court in respect of any order,
8 paper or process, said last publication shall be made not more than five weeks following an event,
9 the entry of an order by the Court, or date of any paper or process with respect to which such
10 notice is given.

11 **XVI. INTERVENTION OF SUCCESSORS IN INTEREST AND NEW PARTIES**

12 Any person who is not a Party herein or successor to such Party and who proposes to
13 produce or store and produce water from the Basin may seek to intervene in this Amended
14 Judgment in accordance with applicable law, including, but not limited to, the California Code of
15 Civil Procedure, or through a Stipulation for Intervention entered into with the Water Rights
16 Panel. The Water Rights Panel may execute said Stipulation on behalf of the other Parties herein,
17 but such Stipulation shall not preclude a Party from opposing such intervention at the time of the
18 court hearing thereon. Said Stipulation for Intervention must thereupon be filed with the Court,
19 which will consider an order confirming said intervention following thirty (30) days' notice
20 thereof to the Parties, served as herein provided. Thereafter, if approved by the Court, such
21 Intervenors shall be a Party herein, bound by this Amended Judgment and entitled to the rights
22 and privileges accorded under the physical solution imposed herein.

23 **XVII. JUDGMENT BINDING ON SUCCESSORS**

24 Subject to the specific provisions hereinbefore contained, this Amended Judgment and all
25 provisions thereof are applicable to, binding upon and inure to the benefit of not only the Parties,
26 but as well to their respective heirs, executors, administrators, successors, assigns, lessees,
27 licensees and to the agents, employees and attorneys-in-fact of any such persons.

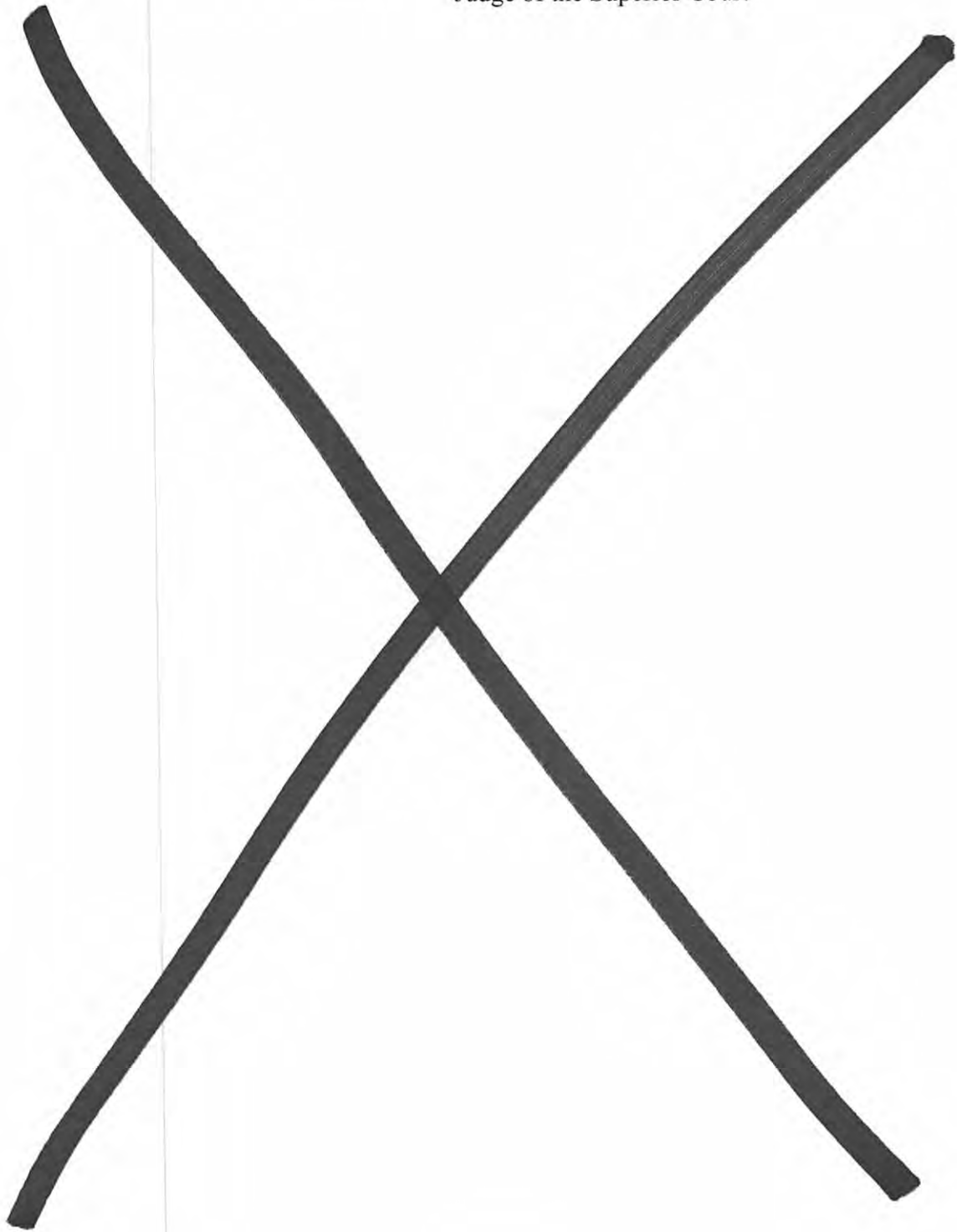
28

1 THE CLERK WILL ENTER THIS AMENDED JUDGMENT FORTHWITH.

2
3 DATED: DEC 05 2014

KENNETH R. FREEMAN

4
5 Judge of the Superior Court



BROWNSTEIN HYATT FARBER SCHRECK, LLP
21 East Camino Street
Santa Barbara, CA 93101-2706

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Central Basin - Judgement 786656

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Superior Court of California
County of Los Angeles

DEC 23 2013

Sherri R. Carter, Executive Officer/Clerk
By Marisela Fregoso, Deputy

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF LOS ANGELES.

10 CENTRAL AND WEST BASIN WATER
11 REPLENISHMENT DISTRICT, etc.,

12 Plaintiff,

13 vs.

14 CHARLES E. ADAMS, et al.,

15 Defendant

16
17 CITY OF LAKEWOOD, a municipal
corporation,

18 Cross-Complainant

19 vs.

20 CHARLES E. ADAMS, et al.,

21 Cross-Defendants.

Case No.: 786,656

THIRD AMENDED JUDGMENT

(Declaring and establishing
water rights in Central Basin,
enjoining extractions
therefrom in excess of
specified quantities
and providing for the storage and
extraction of stored water.)

Assigned for all purposes to
Hon. Abraham Khan
Dept. 51

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1 The original judgment in this action was entered on or about August 27, 1965. Pursuant
2 to the reserved and continuing jurisdiction of the court under the Judgment herein, certain
3 amendments to said Judgment and temporary orders have heretofore been made and entered.
4 Continuing jurisdiction of the court for this action is currently assigned to Hon. Abraham Khan.

5 The Motion of Plaintiff WATER REPLENISHMENT DISTRICT OF SOUTHERN
6 CALIFORNIA (which originally brought this action under its former name "Central and West
7 Basin Water Replenishment District"), and of defendants, City of Lakewood, City of Long
8 Beach, Golden State Water Company, California Water Service Company, City of Los Angeles,
9 City of Cerritos, City of Downey, City of Signal Hill, Pico Water District, Bellflower-Somerset
10 Mutual Water Company, LaHabra Heights County Water District, City of Norwalk, Orchard
11 Dale Water District, Montebello Land & Water Company, South Montebello Irrigation District,
12 Sativa Los Angeles County Water District, City of Vernon and Central Basin Municipal Water
13 District ("Moving Parties") herein for further amendments to the Judgment, notice thereof and of
14 the hearing thereon having been duly and regularly given to all parties, came on for hearing in
15 Department 51 of the above-entitled court on December 18, 2013 at 9:00 a.m. before said Hon.
16 Abraham Khan. This "Third Amended Judgment" incorporates amendments and orders
17 heretofore made to the extent presently operable and amendments pursuant to said last
18 mentioned motion. To the extent this Amended Judgment is a restatement of the Judgment as
19 heretofore amended, it is for convenience in incorporating all matters in one document, is not a
20 readjudication of such matters and is not intended to reopen any such matters. As used
21 hereinafter the word "Judgment" shall include the original Judgment entered in this action as
22 amended to date, including this Third Amended Judgment.

23 There exists in the County of Los Angeles, State of California, an underground water
24 basin or reservoir known and hereinafter referred to as the "Central Basin" or "Basin" described
25 in Appendix "1" to this Judgment.

26 Within this Judgment, the following terms, words, phrases and clauses are used by the
27 Court with the following meanings:

28 "Adjudicated Storage Capacity" means 220,000 acre-feet of the Available Dewatered

1 Space which has been apportioned herein for Individual Storage Accounts and Community
2 Storage.

3 “Administrative Body” is defined in Section II(A).

4 “Administrative Year” means the twelve (12) month period beginning July 1 and ending
5 June 30.

6 “Allowed Pumping Allocation” is that quantity in acre feet which the Court adjudges to
7 be the maximum quantity which a party should be allowed to extract annually from Central
8 Basin as set forth in Part I hereof, which constitutes 80% of such party’s Total Water Right.

9 “Allowed Pumping Allocation for a particular Administrative Year” and “Allowed
10 Pumping Allocation in the following Administrative Year” and similar clauses, mean the
11 Allowed Pumping Allocation as increased in a particular Administrative Year by any authorized
12 carryovers pursuant to Section III(A) of this Judgment and as reduced by reason of any over-
13 extractions in a previous Administrative Year.

14 “Artificial Replenishment” is the replenishment of Central Basin achieved through the
15 spreading or injection of imported or recycled water for percolation thereof into Central Basin by
16 a governmental agency, including WRD.

17 “Artificial Replenishment Water” means water captured or procured by WRD to
18 replenish the Basin, either directly by percolating or injecting the water into the Basin, or
19 through in lieu replenishment by substituting surface water (or payment therefor) in lieu of
20 production and use of groundwater.

21 “Available Dewatered Space” means the total amount of space available to hold
22 groundwater within the Central Basin without causing Material Physical Harm, which space is
23 allocated between Adjudicated Storage Capacity and Basin Operating Reserve.

24 “Base Water Right” is the highest continuous extractions of water by a party from Central
25 Basin for a beneficial use in any period of five consecutive years after the commencement of
26 overdraft in Central Basin and prior to the commencement of this action, as to which there has
27 been no cessation of use by that party during any subsequent period of five consecutive years.
28 As employed in the above definition, the words “extractions of water by a party” and “cessation

1 of use by that party” include such extractions and cessations by any predecessor or predecessors
2 in interest.

3 “Basin Operating Reserve” means a total of 110,000 acre feet of Available Dewatered
4 Space available for Basin operations as provided in Section IV(L). The Basin Operating Reserve
5 added to the Adjudicated Storage Capacity equals the amount of Available Dewatered Space.

6 “Calendar Year” is the twelve month period commencing January 1 of each year and
7 ending December 31 of each year.

8 “Carryover” is defined in Section III(A).

9 “Carryover Conversion” means the process of transferring water properly held as
10 Carryover into Stored Water, or the water so converted to Stored Water.

11 “Central Basin” is the underground basin or reservoir underlying the Central Basin Area,
12 the exterior boundaries of which Central Basin are the same as the exterior boundaries of Central
13 Basin Area.

14 “Central Basin Area” is the territory described in Appendix “1” to this Judgment and is a
15 segment of the territory comprising Plaintiff District.

16 “Central Basin Water Rights Panel” means the constituent body of Watermaster
17 consisting of seven (7) Parties elected from among parties holding Allowed Pumping Allocations
18 as provided in Section II(B).

19 “CEQA” refers to the California Environmental Quality Act, Public Resources Code
20 §§ 21000 *et seq.*

21 “Community Storage Pool” is defined in Section IV(E).

22 “Declared Water Emergency” means a period commencing with the adoption of a
23 resolution of the Board of Directors of WRD declaring that conditions within the Central Basin
24 relating to natural and imported supplies of water are such that, without implementation of the
25 water emergency provisions of this Judgment, the water resources of the Central Basin risk
26 degradation. Such Declaration may be made as provided in Section III(A)(3).

27 “Disadvantaged Community” means any area that is served by a Water Purveyor and that
28 consists of one or more contiguous census tracts which, based upon the most-recent United

1 States Census data, demonstrates a median household income which is less than eighty percent
2 (80%) of the median household income for all Census Tracts within the state of California. The
3 identification of Disadvantaged Communities shall be made by Watermaster following each
4 decennial census.

5 “Extraction,” “extractions,” “extracting,” “extracted,” and other variations of the same
6 noun and verb, mean pumping, taking, diverting or withdrawing groundwater by any manner or
7 means whatsoever from Central Basin.

8 “Imported Water” means water brought into Central Basin Area from a non-tributary
9 source by a party and any predecessors in interest, either through purchase directly from
10 Metropolitan Water District of Southern California (“MWD”), the Central Basin Municipal
11 Water District (“CBMWD”), or any other MWD member agency and additionally, as to the
12 Department of Water and Power of the City of Los Angeles, water brought into the Central Basin
13 Area by that party by means of the Owens River Aqueduct. In the case of water imported for
14 storage by a party pursuant to this Judgment, “Imported Water” means water brought into the
15 Central Basin from any non-tributary source as one method for establishing storage in the
16 Central Basin.

17 “Imported Water Use Credit” is the annual amount, computed on a calendar year basis, of
18 Imported Water which any party and any predecessors in interest, who have timely made the
19 required filings under Water Code Section 1005.1, have imported into Central Basin Area in any
20 calendar year and subsequent to July 9, 1951, for beneficial use therein; but not exceeding the
21 amount by which that party and any predecessors in interest reduces his or their extractions of
22 groundwater from Central Basin in that calendar year from the level of his or their extractions in
23 the preceding calendar year, or in any prior calendar year not earlier than the calendar year 1950,
24 whichever is the greater.

25 “Individual Storage Allocation” is defined in Section IV(D).

26 “Majority Protest” means a written protest filed with the Administrative Body of
27 Watermaster within sixty (60) days following a protested event or decision, which evidences the
28 concurrence of a majority of the Allowed Pumping Allocations held within the Basin as of the

1 date thereof.

2 “Material Physical Harm” means material physical injury or a material diminution in the
3 quality or quantity of groundwater available within the Basin to support extraction of Total
4 Water Rights or Stored Water, that is demonstrated to be attributable to the placement, recharge,
5 injection, storage or recapture of Stored Water in the Central Basin, including, but not limited to,
6 degradation of water quality, liquefaction, land subsidence and other material physical injury
7 caused by elevated or lowered groundwater levels. Material Physical Harm does not include
8 “economic injury” that results from other than direct physical causes, including any adverse
9 effect on water rates, lease rates, or demand for water. Once fully mitigated, physical injury
10 shall no longer be considered to be material.

11 “Natural Replenishment” means and includes all processes other than “Artificial
12 Replenishment” by which water may become a part of the groundwater supply of Central Basin.

13 “Natural Safe Yield” is the maximum quantity of groundwater, not in excess of the long
14 term average annual quantity of Natural Replenishment, which may be extracted annually from
15 Central Basin without eventual depletion thereof or without otherwise causing eventual
16 permanent damage to Central Basin as a source of groundwater for beneficial use, said maximum
17 quantity being determined without reference to Artificial Replenishment.

18 “Outgoing Watermaster” is the State of California, Department of Water Resources, the
19 Watermaster appointed pursuant to the terms of the Judgment before this Third Amendment.

20 “Overdraft” is that condition of a groundwater basin resulting from extractions in any
21 given annual period or periods in excess of the long term average annual quantity of Natural
22 Replenishment, or in excess of that quantity which may be extracted annually without otherwise
23 causing eventual permanent damage to the basin.

24 “Party” means a party to this action. Whenever the term “party” is used in connection
25 with a quantitative water right, or any quantitative right, privilege or obligation, or in connection
26 with the assessment for the budget of the Watermaster, it shall be deemed to refer collectively to
27 those parties to whom are attributed a Total Water Right in Part I of this Judgment.

28 “Person” or “persons” include individuals, partnerships, associations, governmental

1 agencies and corporations, and any and all types of entities.

2 “Recycled Water” means water that has been reclaimed through treatment appropriate for
3 its intended use in compliance with applicable regulations.

4 “Regional Disadvantaged Communities Incentive Program” means a program to be
5 developed by Watermaster in the manner provided in Section II(H) of this Judgment, and
6 approved by the Court, whereby a portion of the Community Storage Pool is made available to
7 or for the benefit of Disadvantaged Communities, on a priority basis within the Central Basin.

8 “Replenishment Assessment” means the replenishment assessment imposed by WRD
9 upon each acre-foot of groundwater extracted from the Central Basin pursuant to WRD’s
10 enabling act, California Water Code §§ 60000 et seq.

11 “Small Water Producers Group” means a body consisting of parties holding no greater
12 than 5,000 acre-feet of Allowed Pumping Allocation, as set forth on Appendix 3 hereto and as
13 may be modified from time to time by the Group’s own procedures and the requirements set
14 forth in Appendix 3.

15 “Storage Panel” or “Central Basin Storage Panel” means a bicameral constituent body of
16 Watermaster consisting of (i) the Central Basin Water Rights Panel and (ii) the Board of
17 Directors of WRD.

18 “Storage Project” means an activity pertaining to the placement, recharge, injection,
19 storage, transfer, or recapture of Stored Water within the Basin, but does not include actions by
20 WRD undertaken in connection with its replenishment activities.

21 “Stored Water” means water, including Recycled Water, held within Available
22 Dewatered Space as a result of spreading, injection, in-lieu delivery, or Carryover Conversion,
23 where there is an intention to subsequently withdraw the water for reasonable and beneficial use
24 pursuant to this Judgment.

25 “Total Water Right” is the quantity arrived at in the same manner as in the computation
26 of “Base Water Right,” but including as if extracted in any particular year the Imported Water
27 Use Credit, if any, to which a particular party may be entitled.

28 “Water” includes only non-saline water, which is that having less than 1,000 parts of

1 chlorides to 1,000,000 parts of water.

2 “Water Augmentation Project” means pre-approved physical actions and management
3 activities that provide demonstrated appreciable increases in long-term annual groundwater yield
4 in the Basin that are initiated as provided in this Judgment after January 1, 2013.

5 “Water Purveyor” means a Party (and successors in interest) which sells water to the
6 public, whether a regulated public utility, mutual water company or public entity. As that term is
7 used in Section III(B)(6), “Water Purveyor,” in addition to the foregoing, means a Party which
8 has a connection or connections for the taking of Imported Water through the Metropolitan
9 Water District of Southern California (“MWD”), or through a MWD-member agency, or access
10 to such Imported Water through such connection, and which normally supplies at least a part of
11 its customers’ water needs with such Imported Water.

12 “Watermaster” is defined in Part II and is comprised of (i) the Administrative Body, (ii)
13 the Central Basin Water Rights Panel, and (iii) the Central Basin Storage Panel. Watermaster,
14 and the various constituent bodies of Watermaster, as designated in this Judgment, exist as a
15 special master pursuant to this Judgment and Watermaster serves at the pleasure of the Court.
16 Nothing herein shall be construed as creating an independent designation of “Watermaster” as a
17 public agency subject to the provisions of CEQA, nor does membership or participation as the
18 designated Watermaster expand any statutory, constitutional, or other powers of the members
19 serving as part of the Watermaster.

20 “West Coast Basin” is the groundwater basin adjacent to the Central Basin which is the
21 subject of a separate adjudication of groundwater rights in *California Water Service Company, et*
22 *al. v. City of Compton, et al.*, Los Angeles Superior Court Case No. 506806.

23 “WRD” or “Water Replenishment District” is the plaintiff herein, the Water
24 Replenishment District of Southern California, a special district of the State of California, which
25 brought this action under its former name, “Central and West Basin Water Replenishment
26 District.”

27 In those instances where any of the above-defined words, terms, phrases or clauses are
28 utilized in the definition of any of the other above-defined words, terms, phrases and clauses,

1 such use is with the same meaning as is above set forth.

2
3 NOW THEREFORE, IT IS ORDERED, DECLARED, ADJUDGED AND DECREED
4 WITH RESPECT TO THE ACTION AND CROSS-ACTION AS FOLLOWS:

5
6 I. DECLARATION AND DETERMINATION OF WATER RIGHTS OF
7 PARTIES; RESTRICTION ON THE EXERCISE THEREOF.¹

8 A. Determination of Rights of Parties.

9 (1) Each party, except defendants The City of Los Angeles and
10 Department of Water and Power of the City of Los Angeles, whose name is set
11 forth in Appendix 2 and by this reference made a part hereof, and after whose
12 name there appears under the column "Total Water Right" a figure other than "0,"
13 is the owner of and has the right to extract annually groundwater from Central
14 Basin for beneficial use in the quantity set forth after that party's name under said
15 column "Total Water Right" as of the close of the Administrative Year ending
16 June 30, 2012 in accordance with the Watermaster Reports on file with this Court
17 and the records of the Plaintiff. This tabulation does not take into account
18 additions or subtractions from any Allowed Pumping Allocation of a producer for
19 the 2012-2013 Administrative Year, nor other adjustments not representing
20 change in fee title to water rights, such as leases of water rights, nor does it
21 include the names of lessees of landowners where the lessees are exercising the
22 water rights. The exercise of all water rights is subject, however, to the
23 provisions of this Judgment as hereinafter contained. All of said rights are of the
24 same legal force and effect and are without priority with reference to each other.
25 Each party whose name is set forth in the tabulation in Appendix "2" of this

26
27 ¹ Headings in the Judgment are for purposes of reference and the language of said headings do not constitute, other
28 than for such purpose, a portion of this Judgment.

1 Judgment, and after whose name there appears under the column "Total Water
2 Right" the figure "0," owns no rights to extract any groundwater from Central
3 Basin, and has no right to extract any groundwater from Central Basin.

4 (2) Defendant The City of Los Angeles is the owner of the right to
5 extract fifteen thousand (15,000) acre feet per annum of groundwater from
6 Central Basin, but it has the right and ability to purchase or lease additional rights
7 to extract groundwater and increase its Allowed Pumping Allocation. Defendant
8 Department of Water and Power of the City of Los Angeles has no right to extract
9 groundwater from Central Basin except insofar as it has the right, power, duty or
10 obligation on behalf of defendant The City of Los Angeles to exercise the water
11 rights in Central Basin of defendant The City of Los Angeles. The exercise of
12 said rights is subject, however, to the provisions of this Judgment hereafter
13 contained, including but not limited to, sharing with other parties in any
14 subsequent decreases or increases in the quantity of extractions permitted from
15 Central Basin, pursuant to continuing jurisdiction of the Court, on the basis that
16 fifteen thousand (15,000) acre feet (and any increase in its Allowed Pumping
17 Allocation) bears to the Allowed Pumping Allocations of the other parties.

18 (3) No party to this action is the owner of or has any right to extract
19 groundwater from Central Basin except as herein affirmatively determined.

20 B. Parties Enjoined as to Quantities of Extractions.

21 (1) Each party, other than The State of California and The City of Los
22 Angeles and Department of Water and Power of The City of Los Angeles, is
23 enjoined and restrained in any Administrative Year commencing after the date
24 this Judgment becomes final from extracting from Central Basin any quantity of
25 Water greater than the party's Allowed Pumping Allocation as hereinafter set
26 forth next to the name of the party in the tabulation appearing in Appendix 2 at
27 the end of this Judgment, subject to further provisions of this Judgment. Subject
28 to such further provisions, the officials, agents and employees of The State of

1 California are enjoined and restrained in any such Administrative Year from
2 extracting from Central Basin collectively any quantity of water greater than the
3 Allowed Pumping Allocation of The State of California as hereinafter set forth
4 next to the name of that party in the same tabulation. Each party adjudged and
5 declared above not to be the owner of and not to have the right to extract
6 groundwater from Central Basin is enjoined and restrained in any Administrative
7 Year commencing after the date this Judgment becomes final from extracting any
8 groundwater from Central Basin, except as may be hereinafter permitted to any
9 such party under this Judgment.

10 (2) The total extraction right for each party includes a party's Allowed
11 Pumping Allocation (to the extent not transferred by agreement or otherwise), any
12 contractual right acquired through lease or other agreement to extract or use the
13 rights of another party, and any right to extract Stored Water or Carryover as
14 provided in this Judgment. No party may extract in excess of 140% of the sum of
15 (i) the party's Allowed Pumping Allocation and (ii) the party's leased water,
16 except upon prior approval by the applicable body of Watermaster as required
17 pursuant to Section IV(J) as provided herein. Upon application, the body specified
18 in Section IV(J) shall approve a party's request to extract water in excess of such
19 limit, provided there is no Material Physical Harm. Requests to extract water in
20 excess of such limit shall be reviewed and either approved or denied within thirty
21 (30) days of such request.

22 (3) Defendant The City of Los Angeles is enjoined and restrained in
23 any Administrative Year commencing after the date this Judgment becomes final
24 from extracting from Central Basin any quantity of water greater than fifteen
25 thousand (15,000) acre feet or its Allowed Pumping Allocation, as recognized by
26 the Watermaster, if it acquires additional rights to pump groundwater through
27 purchase or lease, subject to further provisions of this Judgment, including but not
28 limited to, sharing with other parties in any subsequent decreases or increases in

1 the quantity of extractions permitted from Central Basin by parties, pursuant to
2 continuing jurisdiction of the Court, on the basis that fifteen thousand (15,000)
3 acre feet (or the adjusted Allowed Pumping Allocation if additional rights are
4 acquired) bears to the Allowed Pumping Allocations of the other parties.
5 Defendant Department of Water and Power of The City of Los Angeles is
6 enjoined and restrained in any Administrative Year commencing after the date
7 this Judgment becomes final from extracting from Central Basin any quantity of
8 water other than such as it may extract on behalf of defendant The City of Los
9 Angeles, and which extractions, along with any extractions by said City, shall not
10 exceed that quantity permitted by this Judgment to that City in any Administrative
11 Year. Whenever in this Judgment the term "Allowed Pumping Allocation"
12 appears, it shall be deemed to mean as to defendant The City of Los Angeles the
13 quantity of fifteen thousand (15,000) acre feet unless the City of Los Angeles has
14 acquired through purchase or lease right to extract additional groundwater. The
15 limit on extraction as provided in the preceding Section I(B)(1) shall also apply to
16 The City of Los Angeles.

17 (4) Any rights decreed and adjudicated herein may be transferred,
18 assigned, licensed or leased by the owner thereof provided, however, that no such
19 transfer shall be complete until compliance with the appropriate notice procedures
20 established by Watermaster.

21 (5) Unless a party elects otherwise, production of water from the Basin
22 for the use or benefit of the parties hereto shall be counted against the party's total
23 extraction right in the following order: (i) Increased extractions by certain
24 qualified water rights holders pursuant to Section IV(K), (ii) Exchange Pool
25 production, (iii) production of Carryover water, (iv) production of leased water, ,
26 (v) production of Allowed Pumping Allocation, (vi) production of Stored Water,
27 (vii) production of Drought Carryover (according to Watermaster's Rules), and
28 (viii) production of water under an agreement with WRD during a period of

1 emergency pursuant to Section III(B)(6).

2 C. Parties Enjoined as to Export of Extractions.

3 Except as expressly authorized herein, or upon further order of the Court, all
4 parties are enjoined and restrained from transporting water extracted from the Central
5 Basin outside the boundaries of the Central Basin Area. For purposes of this Section,
6 water supplied by a Water Purveyor to its customers located within any of its service
7 areas contiguous to the Central Basin or within WRD's service area shall be exempt from
8 the export prohibition of this Section provided that the Water Purveyor also provides
9 water to a service area that overlies the Basin in whole or in part. The foregoing
10 exemption is not made, nor is it related to, a determination of an underflow between the
11 basins, a cost or benefit allocation, or any other factor relating to the allocation of the
12 Replenishment Assessment by WRD. Further, this injunction and restriction does not
13 apply to export of water that will take place pursuant to contractual obligations
14 specifically identified on Appendix 4, nor does it apply to export of Stored Water not
15 having its origin in Carryover Conversion. The export identified on Appendix 4 may
16 continue to the extent that any such extraction does not violate any other provisions of
17 this Judgment, provided however that no such export identified on Appendix 4 shall
18 exceed 5,000 acre-feet in any Year.

19
20 II. APPOINTMENT OF WATERMASTER; WATERMASTER ADMINISTRATION
21 PROVISIONS.

22 The particular bodies specified below are, jointly, hereby appointed Watermaster,
23 for an indefinite term, but subject to removal by the Court, to administer this Judgment. Such
24 bodies, which together shall constitute the "Watermaster," shall have restricted powers, duties
25 and responsibilities as specified herein, it being the court's intention that particular constituent
26 bodies of Watermaster have only limited and specified powers over certain aspects of the
27 administration of this Judgment. The Outgoing Watermaster will exercise reasonable diligence
28 in the complete transition of Watermaster duties and responsibilities within a reasonable time

1 following entry of this order, and to make available to the new Watermaster all records
2 concerning Watermaster activities. The chair of the Central Basin Water Rights Panel (defined
3 below) shall thereafter represent the Watermaster before the Court.

4 A. The Administrative Body.

5 Plaintiff Water Replenishment District of Southern California ("WRD") is
6 appointed the Administrative Body of the Central Basin Watermaster ("Administrative
7 Body"). In order to assist the Court in the administration of the provisions of this
8 Judgment and to keep the Water Rights Panel and the Court fully advised in the
9 premises, the Administrative Body shall have the following duties, powers and
10 responsibilities:

11 (1) To Require Reports, Information and Records.

12 In consultation with the Water Rights Panel, the Administrative Body
13 shall require the parties to furnish such reports, information and records as may be
14 reasonably necessary to determine compliance or lack of compliance by any party
15 with the provisions of this Judgment.

16 (2) Storage Projects.

17 The Administrative Body shall exercise such powers as may be
18 specifically granted to it under this Judgment with regard to Stored Water.

19 (3) Annual Report.

20 The Administrative Body shall prepare, on or before the 15th day of the
21 fourth month following the end of the preceding Administrative Year, an annual
22 report for the consideration of the Water Rights Panel. The Chair of the Water
23 Rights Panel shall submit to the Court either (1) the annual report prepared by the
24 Administrative Body, following the adoption by the Water Rights Panel, or (2) an
25 annual report separately prepared and adopted by the Water Rights Panel. The
26 annual report prepared by the Administrative Body shall be limited to the
27 following, unless otherwise required by the Court:

28 (a) Groundwater extractions

- 1 (b) Storage Accounts maintained by each party
- 2 (c) Status of the Regional Disadvantaged Community
- 3 Incentive Program, if approved by the Court
- 4 (d) Exchange Pool operation
- 5 (e) Use of Imported Water
- 6 (f) Violations of this Judgment and corrective action taken by
- 7 bodies of Watermaster having jurisdiction as provided in this
- 8 Judgment
- 9 (g) Change of ownership of Total Water Rights
- 10 (h) Watermaster administration costs
- 11 (i) Water spread or imported into the Basin
- 12 (j) Water Augmentation Projects
- 13 (k) Whether the Administrative Body has become aware of the
- 14 development of a Material Physical Harm, or imminent threat of the
- 15 development of a Material Physical Harm, as required pursuant to
- 16 Section IV(B) of this Judgment
- 17 (l) Other matters as agreed with the Water Rights Panel
- 18 (m) Recommendations, if any.

19 In consultation with the Water Rights Panel, the Administrative Body shall
 20 provide reasonable notice to all parties of all material actions or determinations by
 21 Watermaster or any constituent body thereof, and as otherwise provided by this
 22 Third Amended Judgment.

23 (4) Annual Budget and Appeal Procedure in Relation Thereto.

24 By April 1 of each Administrative Year, the Administrative Body shall
 25 prepare a proposed administrative budget for the subsequent year stating the
 26 anticipated expense for performing the administrative functions specified in this
 27 Judgment (the "Administrative Budget"). The Administrative Body shall mail a
 28 copy of the proposed Administrative Budget to each of the Parties at least 60 days

1 before the beginning of each Administrative Year. The Administrative Budget
2 mailed to the Parties shall provide sufficient detail in the Administrative Budget
3 to demonstrate a separation in accounting between the Administrative Budget and
4 WRD's Replenishment Assessment and operating budget. For the first
5 Administrative Year of operation under this Third Amended Judgment, if the
6 Administrative Body is unable to meet the above time requirement, the
7 Administrative Body shall mail said copies as soon as possible. The first year the
8 Administrative Budget is prepared, the amount of that budget shall not exceed an
9 amount equal to fifty percent (50%) of the 2012-2013 charge for Watermaster
10 service for the Central Basin collected from Parties by the California Department
11 of Water Resources. At all times, the Administrative Body shall maintain a
12 separation in accounting between the Administrative Budget and WRD's
13 Replenishment Assessment and operating budget. All increases in future budgets
14 for the Administrative Body above the amount set forth above shall be subject to
15 approval by the Water Rights Panel following a public meeting to be held prior to
16 the beginning of the Administrative Year, provided that the approved budget shall
17 not be less than the amount of the first-year budget for the Administrative Body,
18 except upon further order of the Court. Any administrative function by WRD
19 already paid for by the Replenishment Assessment shall not be added as an
20 expense in the Administrative Budget. Similarly, any expense paid for by the
21 Administrative Budget shall not be added to WRD's operating budget, or
22 otherwise added to the calculation of the Replenishment Assessment. While WRD
23 may approve the proposed Administrative Budget at the same meeting in which
24 WRD adopts its annual Replenishment Assessment or annual budget, the
25 Administrative Body's budget shall be separate and distinct from the
26 Replenishment Assessment imposed pursuant to Water Code §60317 and WRD's
27 operating budget.

28 If approval by the Water Rights Panel is required pursuant to the

1 foregoing, the Water Rights Panel shall act upon the proposed budget within 15
2 calendar days after the public meeting. If the Water Rights Panel does not
3 approve the budget prior to such deadline, the matter may be appealed to the
4 Court within sixty (60) days. If any Party hereto has any objection to the
5 Administrative Budget, it shall present the same in writing to Watermaster within
6 15 days after the date of mailing of said tentative budget by the Administrative
7 Body. The Parties shall make the payments otherwise required of them to the
8 Administrative Body even though an appeal of such budget may be pending.
9 Upon any revision by the Court, the Administrative Body shall either remit to the
10 Parties their pro rata portions of any reduction in the budget, or shall credit their
11 accounts with respect to their budget assessments for the next ensuing
12 Administrative Year, as the Court shall direct.

13 The amount of the Administrative Budget to be assessed to each party
14 shall be determined as follows: If that portion of the final budget to be assessed to
15 the Parties is equal to or less than \$20.00 per party then the cost shall be equally
16 apportioned among the Parties. If that portion of the final budget to be assessed to
17 Parties is greater than \$20.00 per party then each Party shall be assessed a
18 minimum of \$20.00. The amount of revenue expected to be received through the
19 foregoing minimum assessments shall be deducted from that portion of the final
20 budget to be assessed to the Parties and the balance shall be assessed to the Parties
21 having Allowed Pumping Allocation, such balance being divided among them
22 proportionately in accordance with their respective Allowed Pumping Allocation.

23 Payment of the assessment provided for herein, subject to adjustment by
24 the Court as provided, shall be made by each such party prior to beginning of the
25 Administrative Year to which the assessment relates, or within 40 days after the
26 mailing of the tentative budget, whichever is later. If such payment by any Party
27 is not made on or before said date, the Administrative Body shall add a penalty of
28 5% thereof to such party's statement. Payment required of any Party hereunder

1 may be enforced by execution issued out of the Court, or as may be provided by
2 order hereinafter made by the Court, or by other proceedings by the Watermaster
3 or by any Party on the Watermaster's behalf.

4 Any money unexpended at the end of any Administrative Year shall be
5 applied to the budget of the next succeeding Administrative Year. The
6 Administrative Body shall maintain no reserves.

7 Notwithstanding the above, no part of the budget of the Administrative
8 Body shall be assessed to WRD or to any Party who has not extracted water from
9 Central Basin for a period of two successive Administrative Years prior to the
10 Administrative Year in which the tentative budget should be mailed by the
11 Administrative Body under the provisions of this subparagraph (4).

12 (5) Rules.

13 The Administrative Body may adopt, and amend from time to time, rules
14 consistent with this Judgment as may be reasonably necessary to carry out duties
15 under the provisions of this Judgment within its particular area of responsibility.
16 The Body shall adopt its first set of rules and procedures within three (3) months
17 following entry of this Third Amended Judgment. The rules shall be effective on
18 such date after the mailing thereof to the Parties as is specified by the Body, but
19 not sooner than thirty (30) days after such mailing.

20 B. The Central Basin Water Rights Panel.

21 The Central Basin Water Rights Panel of the Central Basin Watermaster ("Water Rights
22 Panel") shall consist of seven (7) members, each of which is a Party. The term of each member
23 of the Panel, with the exception of the seat held by the Small Water Producers Group, as
24 provided herein, shall be limited to four years. The Court will make the initial appointments to
25 the Central Basin Water Rights Panel upon motion by Parties consistent with the categories set
26 forth below at or about the time of entry of this Third Amended Judgment, and shall establish a
27 procedure for the staggered terms of such members. Thereafter, elections of members of the
28 Panel shall be held as provided herein. One (1) such member of the Water Rights Panel shall be

1 elected by vote of the Small Water Producers Group conducted in accordance with its own
2 procedures, provided such Group, as of the date of the election, consists of at least five (5)
3 members who are Water Purveyors. One (1) such member of the Water Rights Panel shall be
4 elected by vote of Parties with Allowed Pumping Allocation of less than 5,000 acre-feet who are
5 not members of the Small Water Producers Group or, if the Small Water Producers Group does
6 not then qualify following a continuous six-month period of non-qualification as provided
7 herein, then two (2) such members shall be so selected. One (1) such member of the Water
8 Rights Panel shall be elected by vote of Parties with Allowed Pumping Allocation of at least
9 5,000 acre-feet but less than 10,000 acre-feet. Three (3) such members of the Water Rights
10 Panel shall be elected by vote of Parties with Allowed Pumping Allocation of 10,000 acre-feet or
11 greater. One (1) such member of the Water Rights Panel shall be elected by a vote of all holders
12 of Allowed Pumping Allocations, with each such holder being entitled to one vote, such member
13 to be elected by a plurality of the votes cast, following a nomination procedure to be established
14 in the Water Rights Panel's rules. In the event of a tie, the seventh member shall be determined
15 as may be provided in the Water Rights Panel's rules, or otherwise by the court. Except as
16 otherwise provided in this Section, each such rights holder shall have the right to cast a total
17 number of votes equal to the number of acre-feet of its Allowed Pumping Allocation (rounded to
18 the next highest whole number). With the exception of voting for the seventh member, Parties
19 shall be entitled to vote only for candidates within the category(ies) that represent that Party's
20 Allowed Pumping Allocation. For example, parties who are members of the Small Water
21 Producers Group are entitled to vote only for the Small Water Producer Group member and the
22 seventh member of the Water Rights Panel, and so on. Parties are not permitted to split votes.
23 The results of such election shall be reported to the Court for confirmation of each member's
24 appointment to the Water Rights Panel of Watermaster. The elected members of the Water
25 Rights Panel shall be those candidates receiving the highest vote total in their respective
26 categories. The Water Rights Panel shall hold its first meeting within thirty (30) days of the date
27 this Third Amended Judgment becomes final. The Water Rights Panel shall develop rules for its
28 operation consistent with this Judgment. The Water Rights Panel shall take action, including the

1 election of its Chair, by majority vote of its members. Election of the Chair shall occur every
2 two years, with no Party serving as Chair for consecutive terms. Members of the Water Rights
3 Panel shall serve without compensation. All references to Annual Pumping Allocation, as used
4 herein, are as determined by the last published Watermaster report.

5 (1) The Water Rights Panel shall have the following duties and
6 responsibilities:

7 (a) Enforcement of Adjudicated Rights. As against the other
8 bodies of Watermaster, the Water Rights Panel shall have exclusive
9 authority to move the Court to take such action as may be necessary to
10 enforce the terms of the Judgment with regard to the extraction of
11 Allowed Pumping Allocation and the maintenance of adjudicated
12 groundwater extraction rights as provided in this Judgment.

13 (b) Requirement of Measuring Devices. The Water Rights
14 Panel shall require all parties owning or operating any facilities for the
15 extraction of groundwater from Central Basin to install and maintain at
16 all times in good working order at such party's own expense,
17 appropriate measuring devices at such times and as often as may be
18 reasonable under the circumstances and to calibrate or test such
19 devices.

20 (c) Inspections by Watermaster. The Water Rights Panel may
21 make inspections of groundwater production facilities, including
22 aquifer storage and recovery facilities, and measuring devices at such
23 times and as often as may be reasonable under the circumstances and
24 to calibrate or test such devices.

25 (d) Reports. Annually, the Water Rights Panel, in cooperation
26 with the Administrative Body, shall report to the Court, concerning
27 any or all of the following:

28 (i) Groundwater extractions

- (ii) Exchange Pool operation
- (iii) Status of the Regional Disadvantaged Community Incentive Program, if approved by the Court
- (iv) Violations of this Judgment and corrective action taken or sought
- (v) Change of ownership of Total Water Rights
- (vi) Assessments made by the Water Rights Panel and any costs incurred
- (vii) Whether the Water Rights Panel has become aware of the development of a Material Physical Harm, or imminent threat of the development of a Material Physical Harm, as required pursuant to Section IV(B) of this Judgment
- (viii) Recommendations, if any.

As provided in Section II.A(3), the Water Rights Panel may adopt the annual report prepared by the Administrative Body, and submit the same to the Court, or the Water Rights Panel may prepare, adopt and submit to the Court a separate report. The Chair of the Water Rights Panel shall be responsible for reporting to the Court concerning adjudicated water rights issues in the Basin.

(2) Assessment. The Water Rights Panel shall assess holders of water rights within the Central Basin an annual amount not to exceed \$1.00 per acre-foot of Allowed Pumping Allocation, by majority vote of the members of the Water Rights Panel. The body may assess a higher amount, subject to being overruled by Majority Protest. The assessment is intended to cover any costs associated with reporting responsibilities, any Judgment enforcement action, and the review of storage projects as a component of the "Storage Panel" as provided below. It is anticipated that this body will rely on the Administrative Body's staff for the functions related to the Administrative Body's responsibilities, but the

1 Water Rights Panel may engage its own staff if required in its reasonable
2 judgment. Assessments will constitute a lien on the water right assessed,
3 enforceable as provided in this Judgment.

4 (3) Rules. The Water Rights Panel may adopt and amend from time to
5 time, at an open meeting of that Panel, rules consistent with this Judgment as may
6 be reasonably necessary to carry out duties under the provisions of this Judgment
7 within its particular area of responsibility. The Panel shall adopt its first set of
8 rules and procedures within three (3) months following entry of this Third
9 Amended Judgment. The rules shall be effective on such date after the mailing
10 thereof to the Parties as is specified by the Panel, but not sooner than thirty (30)
11 days after such mailing.

12 C. The Storage Panel.

13 The Storage Panel of the Central Basin Watermaster ("Storage Panel") shall be a
14 bicameral body consisting of (i) the Water Rights Panel and (ii) the Board of Directors of
15 WRD. Action by the Storage Panel shall require separate action by a majority of each of
16 its constituent bodies. The Storage Panel shall have the duties and responsibilities
17 specified with regard to the Provisions for the Storage and Extraction of Stored
18 Groundwater as set forth in Part IV and the other provisions of this Judgment.

19 D. Use of Facilities and Data Collected by Other Governmental Agencies.

20 Where practicable, the three bodies constituting the Central Basin Watermaster
21 should not duplicate the collection of data relative to conditions of the Central Basin
22 which is then being collected by one or more governmental agencies, but where
23 necessary each such body may collect supplemental data. Where it appears more
24 economical to do so, the Watermaster and its constituent bodies are directed to use such
25 facilities of other governmental agencies as are available to it under either no cost or cost
26 agreements with respect to the receipt of reports, billings to parties, mailings to parties,
27 and similar matters.

28 E. Appeal from Watermaster Decisions.

1 Appeals concerning the budget proposed by the Administrative Body shall be
2 governed by Section II(A)(4) of this Judgment. Appeals concerning decisions by the
3 Storage Panel shall be governed by Section IV(P) of this Judgment. With respect to all
4 other objections by a Party to any action or decision by the Watermaster, such objections
5 will be governed by this Section II(E). Any party interested therein who objects to any
6 rule, determination, order or finding made by the Watermaster or any constituent body
7 thereof, may object thereto in writing delivered to the Administrative Body within 30
8 days after the date the Watermaster, or any constituent body thereof, mails written notice
9 of the making of such rule, determination, order or finding. Within 30 days after such
10 delivery the Watermaster, or the affected constituent body thereof, shall consider said
11 objection and shall amend or affirm his rule, determination, order or finding and shall
12 give notice thereof to all parties. Any such party may file with the Court within 60 days
13 from the date of said notice any objection to such rule, determination, order or finding of
14 the Watermaster, or any constituent body thereof, and bring the same on for hearing
15 before the Court at such time as the Court may direct, after first having served said
16 objection upon all other parties. The Court may affirm, modify, amend or overrule any
17 such rule, determination, order or finding of the Watermaster or its affected constituent
18 body. Any objection under this paragraph shall not stay the rule, determination, order or
19 finding of the Watermaster. However, the Court, by *ex parte* order, may provide for a
20 stay thereof on application of any interested party on or after the date that any such party
21 delivers to the Watermaster any written objection.

22 F. Effect of Non-Compliance by Watermaster With Time Provisions.

23 Failure of the Watermaster to perform any duty, power or responsibility set forth
24 in this Judgment within the time limitation herein set forth shall not deprive the
25 Watermaster or its applicable constituent body of authority to subsequently discharge
26 such duty, power or responsibility, except to the extent that any such failure by the
27 Watermaster may have rendered some otherwise required act by a party impossible.

28 G. Limitations on Administrative Body.

1 WRD shall not acquire Central Basin water rights, nor lease Central Basin water
2 or water rights to or from any Party or third party. However, the foregoing shall (i) not be
3 interpreted to restrict WRD's ability or authority to acquire water from any source for
4 purposes of Artificial or Natural Replenishment or for water quality activities, and (ii)
5 not restrict WRD's authority under California Water Code Section 60000 et seq. to
6 develop reclaimed, recycled or remediated water for groundwater replenishment
7 activities.

8 H. Regional Disadvantaged Communities Incentive Program.

9 The Water Rights Panel, acting through the General Manager of WRD, shall
10 develop a Regional Disadvantaged Communities Incentive Program, pursuant to which a
11 portion of the Community Storage Pool is reserved for the benefit of Disadvantaged
12 Communities within the Central Basin. Nothing in this Judgment, nor the establishment
13 of such a program, shall diminish the rights otherwise granted to Parties under this
14 Judgment, including but not limited to the right to place water in storage in the
15 Community Storage Pool. The Water Rights Panel shall meet within thirty (30) days of
16 its formation to identify and consider potential third-party independent consultants who
17 may be retained to design the program, including those recommended by the General
18 Manager of WRD. The Water Rights Panel shall select a consultant within thirty (30)
19 days thereafter. In the event the General Manager of WRD objects to the selected
20 consultant, in writing, then the Water Rights Panel and the General Manager of WRD
21 shall exchange a list of no more than two (2) consultants each for further consideration.
22 If the Water Rights Panel and the General Manager of WRD are unable to agree to a
23 consultant within an additional thirty (30) days, then the Chair of the Water Rights Panel
24 shall file a request with the Court for an order appointing a consultant. Upon selection of
25 a third-party independent consultant, whether through the Water Rights Panel process or
26 the court process identified herein, the consultant shall design a detailed program and
27 deliver it to the Water Rights Panel within ninety (90) days of the consultant's retention.
28 All costs associated with design of the program shall be paid for out of the Water Rights

1 Panel's assessment, as provided in Section II.B(2). The Water Rights Panel shall present
2 the program to the Court for its review and approval within one year of entry of this
3 Third Amended Judgment. If approved by the Court, the Water Rights Panel, acting
4 through the General Manager of WRD, shall be responsible for administration of the
5 Regional Disadvantaged Communities Incentive Program, including insuring that any
6 funds generated through the program benefit Disadvantaged Communities. Any Storage
7 Project established pursuant to this Program shall have priority to use up to 23,000 acre-
8 feet of Available Storage within the Community Storage Pool, as further provided in
9 Section IV.E(2). Watermaster shall report to the Court concerning such program as a
10 part of its annual report.

11
12 III. PROVISIONS FOR PHYSICAL SOLUTION TO MEET THE WATER
13 REQUIREMENTS IN CENTRAL BASIN.

14 In order to provide flexibility to the injunction set forth in Part I of the Judgment, and to
15 assist in a physical solution to meet water requirements in Central Basin, the injunction so set
16 forth is subject to the following provisions.

17 A. Carryover of Portion of Allowed Pumping Allocation.

18 (1) Amount of Carryover.

19 Each party adjudged to have a Total Water Right or water rights and who,
20 during a particular Administrative Year, does not extract from Central Basin a
21 total quantity equal to such party's Allowed Pumping Allocation for the particular
22 Administrative Year, less any allocated subscriptions by such party to the
23 Exchange Pool, or plus any allocated requests by such party for purchase of
24 Exchange Pool water, is permitted to carry over (the "One Year Carryover") from
25 such Administrative Year the right to extract from Central Basin in the next
26 succeeding Administrative Year so much of said total quantity as it did not extract
27 in the particular Administrative Year, not to exceed (i) the Applicable Percentage
28 of such party's Allowed Pumping Allocation for the particular Administrative

1 Year, or 20 acre-feet, whichever of said percentage or 20 acre-feet is the larger,
2 less (ii) the total quantity of water then held in that party's combined Individual
3 and Community Storage accounts, as hereinafter defined, but in no event less than
4 20% of the party's Allowed Pumping Allocation for the particular Administrative
5 Year. For purposes of this Section, the "Applicable Percentage" shall be as
6 follows for the years indicated:

7		
8	For the Administrative Year in which this	
9	Third Amended Judgment becomes final:	30%
10	For the next Administrative Year:	40%
11	For the next Administrative Year:	50%
12	For the next Administrative Year and years	
13	following:	60%

14 (2) Conversion of Carryover to Stored Water.

15 A party having Carryover may, from time to time, elect to convert all or
16 part of such party's Carryover to Stored Water as authorized herein ("Carryover
17 Conversion") upon payment of the Replenishment Assessment to WRD. Such
18 Stored Water shall be assigned to that party's Individual Storage Allocation, if
19 available, and otherwise to the Community Storage Pool.

20 (3) Declared Water Emergency.

21 The Board of Directors of WRD may, from time to time, declare a water
22 emergency upon a determination that conditions within the Central Basin relating
23 to natural and imported water supplies are such that, without implementation of
24 the Declared Water Emergency provisions of this subsection, the water resources
25 of the Central Basin risk degradation. In making such declaration, the Board of
26 Directors shall consider any information and requests provided by water
27 producers, purveyors and other affected entities and shall, for that purpose, hold a
28 public hearing in advance of such declaration. A Declared Water Emergency

1 shall extend to the end of the Administrative Year during which such resolution is
2 adopted, unless sooner ended by similar resolution.

3 (4) Drought Carryover.

4 Following the declaration of a Declared Water Emergency and until the
5 Declared Water Emergency ends either by expiration or by resolution of the
6 Board of Directors of WRD, each party adjudged to have a Total Water Right or
7 water rights and who, during a particular Administrative Year, does not extract
8 from Central Basin a total quantity equal to such party's Allowed Pumping
9 Allocation for the particular Administrative Year, less any allocated subscriptions
10 by such party to the Exchange Pool, or plus any allocated requests by such party
11 for purchase of Exchange Pool water, is permitted to carry over (the "Drought
12 Carryover") from such Administrative Year the right to extract from Central
13 Basin so much of said total quantity as it did not extract during the period of the
14 Declared Water Emergency, to the extent such quantity exceeds the One Year
15 Carryover, not to exceed an additional 35% of such party's Allowed Pumping
16 Allocation, or additional 35 acre feet, whichever of said 35% or 35 acre feet is the
17 larger, less the amount of such party's Stored Water. Carryover amounts shall
18 first be allocated to the One Year Carryover and any remaining carryover amount
19 for that year shall be allocated to the Drought Carryover.

20 (5) Accumulated Drought Carryover.

21 No further amounts shall be added to the Drought Carryover following the
22 end of the Declared Water Emergency, provided however that in the event
23 another Declared Water Emergency is declared, additional Drought Carryover
24 may be added, to the extent such additional Drought Carryover would not cause
25 the total Drought Carryover to exceed the limits set forth above. The Drought
26 Carryover shall be supplemental to and shall not affect any previous drought
27 carryover acquired by a party pursuant to previous order of the court.

28 B. When Over-Extractions May be Permitted.

1 (1) Underestimation of Requirements for Water.

2 Any party hereto without Stored Water, having an Allowed Pumping
3 Allocation, and not in violation of any provision of this Judgment may extract in
4 an Administrative Year an additional quantity of water not to exceed: (a) 20% of
5 such party's Allowed Pumping Allocation or 20 acre feet, whichever is greater,
6 and (b) any amount in addition thereto which may be approved in advance by the
7 Water Rights Panel of Watermaster.

8 (2) Reductions in Allowed Pumping Allocations in Succeeding Years
9 to Compensate for Permissible Overextractions.

10 Any such party's Allowed Pumping Allocation for the following
11 Administrative Year shall be reduced by the amount over-extracted pursuant to
12 paragraph 1 above, provided that if the Water Rights Panel determines that such
13 reduction in the party's Allowed Pumping Allocation in one Administrative Year
14 will impose upon such a party an unreasonable hardship, the said reduction in said
15 party's Allowed Pumping Allocation shall be prorated over a period of five (5)
16 Administrative Years succeeding that in which the excessive extractions by the
17 party occurred. Application for such relief to the Water Rights Panel must be
18 made not later than the 40th day after the end of the Administrative Year in which
19 such excessive pumping occurred. The Water Rights Panel shall grant such relief
20 if such over-extraction, or any portion thereof, occurred during a period of
21 Declared Water Emergency.

22 (3) Reductions in Allowed Pumping Allocations for the Next
23 Succeeding Administrative Year to Compensate for Overpumping.

24 Whenever, pursuant to Section III(B)(1), a party over-extracts in excess of
25 such party's Allowed Pumping Allocation plus that party's available One-Year
26 Carryover and any Stored Water held by that party, and such excess has not been
27 approved in advance by the Water Rights Panel, then such party's Allowed
28 Pumping Allocation for the following Administrative Year shall be reduced by an

1 amount equivalent to its total over-extractions in the particular Administrative
2 Year in which it occurred.

3 (4) Reports of Certain Over-extractions to the Court.

4 Whenever a party over-extracts in excess of 20% of such party's Allowed
5 Pumping Allocation for the particular Administrative Year plus that party's
6 available One-Year Carryover and any Stored Water held by that party, without
7 having obtained prior approval of the Water Rights Panel, such shall constitute a
8 violation of the Judgment and the Water Rights Panel shall make a written report
9 to the Court for such action as the Court may deem necessary. Such party shall be
10 subject to such injunctive and other processes and action as the Court might
11 otherwise take with regard to any other violation of such Judgment.

12 (5) Effect of Over-extractions on Rights.

13 Any party who over-extracts from Central Basin in any Administrative
14 Year shall not acquire any additional rights by reason of such over-extractions;
15 nor shall any required reductions in extractions during any subsequent years
16 reduce the Total Water Right or water rights of any party to the extent said over-
17 extractions are in compliance with paragraph 1 above.

18 (6) Pumping Under Agreement With Plaintiff During Periods of
19 Emergency.

20 Plaintiff WRD overlies Central Basin and engages in activities of
21 replenishing the groundwaters thereof. Plaintiff by resolution has appropriated
22 for use during emergencies the quantity of 17,000 acre feet of imported and
23 reclaimed water replenished by it into Central Basin, and pursuant to such
24 resolution Plaintiff reserves the right to use or cause the use of such quantity
25 during such emergency periods for the benefit of Water Purveyors.

26 (a) Notwithstanding any other provision of this Judgment,
27 parties who are Water Purveyors (including successors in interest) are
28 authorized to enter into agreements with Plaintiff for extraction of a

1 portion of Plaintiff's 17,000 acre-feet of appropriated water, in excess
2 of their respective Allowed Pumping Allocations for the particular
3 Administrative Year when the following conditions are met:

4 (i) Plaintiff is in receipt of a resolution of the
5 Board of Directors of the Metropolitan Water District of
6 Southern California ("MWD") that there is an actual or
7 immediately threatened temporary shortage of MWD's
8 imported water supply compared to MWD's needs, or a
9 temporary inability to deliver MWD's imported water
10 supply throughout its area, which will be alleviated by
11 overpumping from Central Basin.

12 (ii) The Board of Directors of both Plaintiff and
13 Central Basin Municipal Water District by resolutions
14 concur in the resolution of MWD's Board of Directors, and
15 the Board of Directors of Plaintiff finds in its resolution
16 that the average minimum elevation of water surface
17 among those wells in the Montebello Forebay of the
18 Central Basin designated as Los Angeles County Flood
19 Control District Wells Nos. 1601T, 1564P, 1615P, and
20 1626L, is at least 43.7 feet above sea level. This
21 computation shall be based upon the most recent "static
22 readings" taken, which shall have been taken not more than
23 four weeks prior. Should any of the wells designated above
24 become destroyed or otherwise be in a condition so that
25 readings cannot be made, or should the owner prevent their
26 use for such readings, the Board of Directors of the
27 Plaintiff may, upon appropriate engineering
28 recommendation, substitute such other well or wells as it

1 may deem appropriate.

2 (iii) In said resolution, Plaintiff's Board of
3 Directors sets a public hearing, and notice of the time, place
4 and date thereof (which may be continued from time to
5 time without further notice) is given by First Class Mail to
6 the current designees of the Parties, filed and served in
7 accordance with Section VI(C) of this Judgment. Said
8 notice shall be mailed at least five (5) days before the
9 scheduled hearing date.

10 (iv) At said public hearing, parties (including
11 successors in interest) are given full opportunity to be
12 heard, and at the conclusion thereof the Board of Directors
13 of Plaintiff by resolution decides to proceed with
14 agreements under this Section III(B)(6).

15 (b) All such agreements shall be subject to the following
16 requirements, and such others as Plaintiff's Board of Directors shall
17 require:

18 (i) They shall be of uniform content except as
19 to quantity involved, and any special provisions considered
20 necessary or desirable with respect to local hydrological
21 conditions or good hydrologic practice.

22 (ii) They shall be offered to all Water
23 Purveyors, excepting those which Plaintiff's Board of
24 Directors determines should not overpump because such
25 overpumping would occur in undesirable proximity to a sea
26 water barrier project designed to forestall sea water
27 intrusion, or within or in undesirable proximity to an area
28 within Central Basin wherein groundwater levels are at an

1 elevation where overpumping is under all the
2 circumstances then undesirable.

3 (iii) The maximum terms for the agreements
4 shall be four (4) months, which agreements shall
5 commence on the same date and end on the same date (and
6 which may be executed at any time within the four-month
7 period), unless an extension thereof is authorized by the
8 Court, under Part V of this Judgment.

9 (iv) They shall contain provisions requiring that
10 the Water Purveyor executing the agreement pay to the
11 Plaintiff a price in addition to the applicable replenishment
12 assessment determined on the following formula. The
13 normal price per acre-foot of Central Basin Municipal
14 Water District's (CBMWD) treated domestic and municipal
15 water, as "normal" price of such category of water is
16 defined in Section III(C)(10) (price to be paid for Exchange
17 Pool Water) as of the beginning of the contract term less
18 the deductions set forth in said paragraph 10 for the
19 Administrative Year in which the contract term
20 commences. The agreement shall provide for adjustments
21 in the first of said components for any proportional period
22 of the contract term during which the CBMWD said normal
23 price is changed, and if the agreement straddles two
24 administrative years, the said deductions shall be adjusted
25 for any proportionate period of the contract term in which
26 the amount thereof or of either subcomponent changes for
27 purposes of said paragraph 10. Any price for a partial acre-
28 foot shall be computed pro rata. Payments shall be due and

1 payable on the principle that over extractions under the
2 agreement are of the last water pumped in the
3 Administrative Year, and shall be payable as the agreement
4 shall provide.

5 (v) They shall contain provisions that: (1) All
6 of such agreements (but not less than all) shall be subject to
7 termination by Plaintiff if, in the Judgment of Plaintiff's
8 Board of Directors, the conditions or threatened conditions
9 upon which they were based have abated to the extent over
10 extractions are no longer considered necessary; and (2) that
11 any individual agreement or agreements may be terminated
12 if the Plaintiff's Board of Directors finds that adverse
13 hydrologic circumstances have developed as a result of
14 over extractions by any Water Purveyor(s) which have
15 executed said agreements, or for any other reason that
16 Plaintiff's Board of Directors finds good and sufficient.

17 (c) Other matters applicable to such agreements and
18 overpumping thereunder are as follows, without need for express
19 provisions in the agreements;

20 (i) The quantity of overpumping permitted shall
21 be additional to that which the Water Purveyor could
22 otherwise overpump under this Judgment.

23 (ii) The total quantity of permitted overpumping
24 under all said agreements during said four months shall not
25 exceed seventeen thousand (17,000) acre feet, but the
26 individual Water Purveyor shall not be responsible or
27 affected by any violation of this requirement. That total is
28 additional to over extractions otherwise permitted under

1 this Judgment.

2 (iii) Only one four month period may be utilized
3 by Plaintiff in entering into such agreements, as to any one
4 emergency or continuation thereof declared by MWD's
5 Board of Directors under Section III(B)(6)(a).

6 (iv) If any party claims it is being damaged or
7 threatened with damage by the over extractions by any
8 party to such an agreement, the first party or the Water
9 Rights Panel may seek appropriate action of the Court for
10 termination of any such agreement upon notice of hearing
11 to the party complaining, to the party to said agreement, to
12 the plaintiff, and to any parties who have filed a request for
13 special notice. Any termination shall not affect the
14 obligation of the party to make payments under the
15 agreement for over extractions which did occur thereunder.

16 (v) Plaintiff shall maintain separate accounting
17 of the proceeds from payments made pursuant to
18 agreements entered into under this Part. Said fund shall be
19 utilized solely for purposes of replenishment in
20 replacement of waters in Central Basin and West Basin.
21 Plaintiff shall as soon as practicable cause replenishment in
22 Central Basin by the amounts to be overproduced pursuant
23 to this Paragraph 6, whether through spreading, injection,
24 or in lieu agreements.

25 (vi) Over extractions pursuant to the agreements
26 shall not be subject to the "make up" provisions of the
27 Judgment as amended, provided that if any party fails to
28 make payments as required by the agreement, Plaintiff may

1 require such "make up" under Section III(B)(3) of this
2 Judgment.

3 (vii) A Water Purveyor under any such
4 agreement may, and is encouraged to enter into appropriate
5 arrangements with customers who have water rights in
6 Central Basin under or pursuant to this Judgment whereby
7 the Water Purveyor will be assisted in meeting the
8 objectives of the agreement.

9 (7) Exemption for Extractors of Contaminated Groundwater.

10 Any party herein may petition WRD for a Non-consumptive Water Use
11 Permit as part of a project to remedy or ameliorate groundwater contamination. If
12 the petition is granted as set forth in this paragraph, the petitioner may extract the
13 groundwater as permitted hereinafter, without the production counting against the
14 petitioner's production rights.

15 (a) If the Board of WRD determines by Resolution that there is
16 a problem of groundwater contamination that a proposed program will
17 remedy or ameliorate, an operator may make extractions of
18 groundwater to remedy or ameliorate that problem without the
19 production counting against the petitioner's production rights if the
20 water is not applied to beneficial surface use, its extractions are made
21 in compliance with all the terms and conditions of the Board
22 Resolution, and the Board has determined in the Resolution either of
23 the following:

24 (i) The groundwater to be extracted is unusable and
25 cannot be economically treated or blended for use with
26 other water.

27 (ii) The proposed program involves extraction of usable
28 water in the same quantity as will be returned to the

1 underground without degradation of quality.

2 (b) The Resolution may provide those terms and conditions the
3 Board deems appropriate, including, but not limited to, restrictions on
4 the quantity of the extractions to be so exempted, limitations on time,
5 periodic reviews, requirement of submission of test results from a
6 Board-approved laboratory, and any other relevant terms or conditions.

7 (c) Upon written notice to the operator involved, the Board
8 may rescind or modify its Resolution. The rescission or modification
9 of the Resolution shall apply to groundwater extractions occurring
10 more than ten (10) days after the rescission or modification. Notice of
11 rescission or modification shall be either mailed first class mail,
12 postage prepaid, at least two weeks prior to the meeting of the Board at
13 which the rescission or modification will be made to the address of
14 record of the operator or personally delivered two weeks prior to the
15 meeting.

16 (d) The Board's decision to grant, deny, modify or revoke a
17 permit or to interrupt or stop a permitted project may be appealed to
18 this court within thirty days of the notice thereof to the applicant and
19 upon thirty days' notice to the designees of all parties herein.

20 (e) WRD shall monitor and periodically inspect the project for
21 compliance with the terms and conditions for any permit issued
22 pursuant to these provisions.

23 (f) No party shall recover costs from any other party herein in
24 connection with determinations made with respect to this Part.

25 (8) "Call" on Carryover Converted to Stored Water.

26 Where any Party has elected, as permitted by Section III(A)(2), to convert
27 Carryover to Stored Water, any other Party which has not, within the previous ten
28 (10) years, been granted approval to extract Carryover Conversion under this

1 Section III(B)(8) more than five (5) times, may apply to the Storage Panel for the
2 right to extract all or a portion of that Carryover Conversion in the year such
3 Conversion occurs. The Storage Panel shall grant such request, providing there is
4 no Material Physical Harm, if it determines that leased groundwater to meet the
5 applicant's needs within the Basin cannot be obtained for less than forty-five
6 percent (45%) of MWD's Imported Water rate for delivery of untreated water to
7 the Central Basin spreading facilities (which rate is presently MWD's "Full
8 Service Untreated Volumetric Cost, Tier 1"), and that the applicant will fully
9 extract its Allowed Pumping Allocation, Carryover, and Stored Water, if any, in
10 addition to its permitted overextraction under Section III(B)(1), prior to accessing
11 such Carryover Conversion.

12 Upon such approval, the applicant may thereafter extract such water as
13 provided herein. A Party so extracting groundwater shall fully restore such
14 extracted water (either through under-extraction of its rights or through importing
15 water) during the five-year period following the Year in which the extraction
16 under this Section occurs. Otherwise, the extracting Party shall pay to the
17 Watermaster an amount equal to 100% of MWD's Imported Water rate for
18 purchase and delivery of untreated water to the Central Basin spreading facilities
19 (which rate is presently MWD's "Full Service Untreated Volumetric Cost, Tier
20 1") whether or not such water is available that year, for the year during which is
21 the fifth anniversary of the year during which such Carryover Conversion
22 extraction occurs, multiplied by the amount of Carryover Conversion so extracted
23 and not restored during such five-year period. Payment shall be made within
24 thirty (30) days of demand by Watermaster. No Replenishment Assessment shall
25 be due on Carryover Conversion so extracted. However, the Party must deposit
26 with the Watermaster an amount equal to the Replenishment Assessment that
27 would otherwise be imposed by WRD upon such extraction. If the party restores
28 the water within the 5-year repayment period, then the Watermaster shall

1 promptly return the deposit to the Party, without interest. If the Party does not
2 restore the water within the 5-year repayment period, the deposit shall be credited
3 towards the Party's obligation to pay 100% of MWD's Imported Water rate as
4 required herein.

5 Should there be multiple requests to so extract Carryover Conversion in
6 the same year, the Storage Panel shall allocate such extraction right such that each
7 requesting party may extract a pro rata portion of the available Carryover
8 Conversion for that year. No party may extract in excess of 2,500 acre feet of
9 groundwater pursuant to this Section III(B)(8) in a single Year. Amounts paid to
10 Watermaster hereunder shall be used by WRD solely for purchase of water for
11 replenishment in the Basin. Watermaster, through the Storage Panel, shall give
12 reasonable notice to the Parties of any application to so extract Carryover
13 Conversion in such manner as the Storage Panel shall determine, including,
14 without limitation, notice by electronic mail or by website posting, at least ten
15 (10) days prior to consideration of any such application.

16 C. Exchange Pool Provisions.

17 (1) Definitions.

18 For purposes of these Exchange Pool provisions, the following words and
19 terms have the following meanings:

20 (a) "Exchange Pool" is the arrangement hereinafter set forth
21 whereby certain of the parties, ("Exchangees") may, notwithstanding
22 the other provisions of the Judgment, extract additional water from
23 Central Basin to meet their needs, and certain other of the parties
24 ("Exchangors"), reduce their extractions below their Allowed Pumping
25 Allocations in order to permit such additional extractions by others.

26 (b) "Exchangor" is one who offers, voluntarily or otherwise,
27 pursuant to subsequent provisions, to reduce its extractions below its
28 Allowed Pumping Allocation in order to permit such additional

1 extractions by others.

2 (c) "Exchangee" is one who requests permission to extract
3 additional water from Central Basin.

4 (d) "Undue hardship" means unusual and severe economic or
5 operational hardship, other than that arising (i) by reason of any
6 differential in quality that might exist between water extracted from
7 Central Basin and water available for importation or (ii) by reason of
8 any difference in cost to a party in subscribing to the Exchange Pool
9 and reducing its extractions of water from Central Basin in an
10 equivalent amount as opposed to extracting any such quantity itself.

11 (2) Parties Who May Purchase Water Through the Exchange Pool.

12 Any party not having existing facilities for the taking of imported water as
13 of the beginning of any Administrative Year, and any party having such facilities
14 as of the beginning of any Administrative Year who is unable, without undue
15 hardship, to obtain, take, and put to beneficial use, through its distribution system
16 or systems existing as of the beginning of the particular Administrative Year,
17 imported water in a quantity which, when added to its Allowed Pumping
18 Allocation for that particular Administrative Year, will meet its estimated needs
19 for that particular Administrative Year, may purchase water from the Exchange
20 Pool, subject to the limitations contained in this Section III(C) (Subpart "C"
21 hereinafter).

22 (3) Procedure for Purchasing Exchange Pool Water.

23 Not later than the 40th day following the commencement of each
24 Administrative Year, each such party desiring to purchase water from the
25 Exchange Pool shall file with the Watermaster a request to so purchase, setting
26 forth the amount of water in acre feet that such party estimates that it will require
27 during the then current Administrative Year in excess of the total of:

28 (a) Its Allowed Pumping Allocation for that particular

1 Administrative Year; and

2 (b) The imported water, if any, which it estimates it will be
3 able, without undue hardship, to obtain, take and put to beneficial use,
4 through its distribution system or systems existing as of the beginning
5 of that particular Administrative Year.

6 Any party who as of the beginning of any Administrative Year has
7 existing facilities for the taking of imported water and who makes a request to
8 purchase from the Exchange Pool must provide with such request substantiating
9 data and other proof which, together with any further data and other proof
10 requested by the Water Rights Panel, establishes that such party is unable without
11 undue hardship, to obtain, take and put to beneficial use through its said
12 distribution system or systems a sufficient quantity of imported water which,
13 when added to its said Allowed Pumping Allocation for the particular
14 Administrative Year, will meet its estimated needs. As to any such party, the
15 Water Rights Panel shall make a determination whether the party has so
16 established such inability, which determination shall be subject to review by the
17 court under the procedure set forth in Part II of this Judgment. Any party making
18 a request to purchase from the Exchange Pool shall either furnish such
19 substantiating data and other proof, or a statement that such party had no existing
20 facilities for the taking of imported water as of the beginning of that
21 Administrative Year, and in either event a statement of the basis for the quantity
22 requested to be purchased.

23 (4) Subscriptions to Exchange Pool:

24 (a) Required Subscription. Each party having existing
25 facilities for the taking of imported water as of the beginning of any
26 Administrative Year hereby subscribed to the Exchange Pool for
27 purposes of meeting Category (a) requests thereon, as more
28 particularly defined in paragraph 5 of this Subpart C, twenty percent

1 (20%) of its Allowed Pumping Allocation, or the quantity of imported
2 water which it is able, without undue hardship, to obtain, take and put
3 to beneficial use through its distribution system or systems existing as
4 of the beginning of the particular Administrative Year in addition to
5 such party's own estimated needs for imported water during that
6 Administrative Year, whichever is the lesser. A party's subscription
7 under this subparagraph (a) and subparagraph (b) of this paragraph 4 is
8 sometimes hereinafter referred to as a "required subscription."

9 (b) Report to Watermaster Water Rights Panel by Parties with
10 Connections and Unable to Subscribe 20%. Any party having existing
11 facilities for the taking of imported water and estimating that it will be
12 unable, without undue hardship, in that Administrative Year to obtain,
13 take and put to beneficial use through its distribution system or
14 systems existing as of the beginning of that Administrative Year,
15 sufficient imported water to further reduce its extractions from the
16 Central Basin by twenty percent (20%) of its Allowed Pumping
17 Allocation for purposes of providing water to the Exchange Pool must
18 furnish not later than the 40th day following the commencement of
19 such Administrative Year substantiating data and other proof which,
20 together with any further data and other proof requested by the Water
21 Rights Panel, establishes said inability or such party shall be deemed
22 to have subscribed twenty percent (20%) of its Allowed Pumping
23 Allocation for the purpose of providing water to the Exchange Pool.
24 As to any such party so contending such inability, the Water Rights
25 Panel shall make a determination whether the party has so established
26 such inability, which determination shall be subject to review by the
27 Court under the procedure set forth in Part II of this Judgment.

28 (c) Voluntary Subscriptions. Any party, whether or not having

1 facilities for the taking of imported water, who desires to subscribe to
2 the Exchange Pool a quantity or further quantity of its Allowed
3 Pumping Allocation, may so notify the Water Rights Panel in writing
4 of the quantity of such offer on or prior to the 40th day following the
5 commencement of the particular Administrative Year. Such
6 subscriptions are referred to hereinafter as "voluntary subscriptions."
7 Any Exchangor who desires that any part of its otherwise required
8 subscription not needed to fill Category (a) requests shall be available
9 for Category (b) requests may so notify the Water Rights Panel in
10 writing on or prior to said 40th day. If all of that Exchangor's
11 otherwise required subscription is not needed in order to fill Category
12 (a) requests, the remainder of such required subscription not so used,
13 or such part thereof as such Exchangor may designate, shall be deemed
14 to be a voluntary subscription.

15 (5) Limitations on Purchases of Exchange Pool Water and Allocation
16 of Requests to Purchase Exchange Pool Water Among Exchangors:

17 (a) Categories of Requests. Two categories of Exchange Pool
18 requests are established as follows:

19 (i) Category (a) requests. The quantity requested by
20 each Exchangee, whether or not that Exchangee has an
21 Allowed Pumping Allocation, which quantity is not in
22 excess of 150% of its Allowed Pumping Allocation, if any,
23 or 100 acre feet, whichever is greater. Requests or portions
24 thereof within the above criteria are sometimes hereinafter
25 referred to as "Category (a) requests."

26 (ii) Category (b) requests. The quantity requested by
27 each Exchangee having an Allowed Pumping Allocation to
28 the extent the request is in excess of 150% of that Allowed

1 Pumping Allocation or 100 acre feet, whichever is greater,
2 and the quantity requested by each Exchangee having no
3 Allowed Pumping Allocation to the extent the request is in
4 excess of 100 acre feet. Portions of requests within the
5 above criteria are sometimes hereinafter referred to as
6 "Category (b) requests."

7 (b) Filling of Category (a) Requests. All Exchange Pool
8 subscriptions, required and voluntary, shall be available to fill
9 Category (a) requests. Category (a) requests shall be filled first from
10 voluntary subscriptions, and if voluntary subscriptions should be
11 insufficient to fill all Category (a) requests required subscriptions shall
12 be then utilized to fill Category (a) requests. All Category (a) requests
13 shall be first filled before any Category (b) requests are filled.

14 (c) Filling of Category (b) Requests. To the extent that
15 voluntary subscriptions have not been utilized in filling Category (a)
16 requests, Category (b) requests shall be filled only out of any
17 remaining voluntary subscriptions. Required subscriptions will then
18 be utilized for the filling of any remaining Category (b) requests.

19 (d) Allocation of Requests to Subscriptions When Available
20 Subscriptions Exceed Requests. In the event the quantity of
21 subscriptions available for any category of requests exceeds those
22 requests in that category, or exceeds the remainder of those requests in
23 that category, such requests shall be filled out of such subscriptions
24 proportionately in relation to the quantity of each subscription.

25 (e) Allocation of Subscriptions to Category (b) Requests in the
26 Event of Shortage of Subscriptions. In the event available
27 subscriptions are insufficient to meet Category (b) requests, available
28 subscriptions shall be allocated to each request in the proportion that

1 the particular request bears to the total requests of the particular
2 category.

3 (6) Additional Voluntary Subscriptions.

4 If subscriptions available to meet the requests of Exchangers are
5 insufficient to meet all requests, additional voluntary subscriptions may be
6 solicited and received from parties by the Water Rights Panel. Such additional
7 subscriptions shall be allocated first to Category (a) requests to the extent unfilled,
8 and next to Category (b) requests to the extent unfilled. All allocations are to be
9 otherwise in the same manner as earlier provided in paragraph 5 (a) through 5 (e)
10 inclusive.

11 (7) Effect if Category (a) Requests Exceed Available Subscriptions,
12 Both Required and Voluntary.

13 In the event that the quantity of subscriptions available to fill Category (a)
14 requests is less than the total quantity of such requests, the Exchangers may,
15 nonetheless, extract the full amount of their Category (a) requests otherwise
16 approved by the Water Rights Panel as if sufficient subscriptions were available.
17 The amounts received by the Water Rights Panel on account of that portion of the
18 approved requests in excess of the total quantities available from Exchangers
19 shall be paid by the Water Rights Panel to WRD in trust for the purpose of
20 purchasing imported water and spreading the same in Central Basin for
21 replenishment thereof. Thereafter WRD may, at any time, withdraw said funds or
22 any part thereof so credited in trust for the aforesaid purpose, or may by the 40th
23 day of any Administrative Year utilize all or any portion of said funds for the
24 purchase of water available from subscriptions by Exchangers in the event the
25 total quantity of such subscriptions exceeds the total quantity of approved
26 requests by parties to purchase Exchange Pool water. To the extent that there is
27 such an excess of available subscriptions over requests and to the extent that the
28 existing credit in favor of WRD is sufficient to purchase such excess quantity at

1 the price established for Exchange Pool purchases during that Administrative
2 Year, the money shall be paid to the Exchangors in the same manner as if another
3 party had made such purchase as an Exchangee. WRD shall not extract any such
4 Exchange Pool water so purchased.

5 (8) Additional Pumping by Exchangees Pursuant to Exchange Pool
6 Provisions.

7 An Exchangee may extract from Central Basin in addition to its Allowed
8 Pumping Allocation for a particular Administrative Year that quantity of water
9 which it has requested to purchase from the Exchange Pool during that
10 Administrative Year and which has been allocated to it pursuant to the provisions
11 of paragraphs 5, 6 and 7. The first pumping by an Exchangee in any
12 Administrative Year shall be deemed to be pumping of the party's allocation of
13 Exchange Pool water.

14 (9) Reduction in Pumping by Exchangors.

15 Each Exchangor shall in each Administrative Year reduce its extractions
16 of water from Central Basin below its Allowed Pumping Allocation for the
17 particular year in a quantity equal to the quantity of Exchange Pool requests
18 allocated to it pursuant to the provisions of paragraphs 4, 5, 6 and 7 of this
19 Subpart C.

20 (10) Price to be Paid for Exchange Pool Water.

21 The price to be paid by Exchangees and to be paid to Exchangors per acre
22 foot for required and voluntary subscriptions of Exchangors utilized to fill
23 requests on the Exchange Pool by Exchangees shall be the dollar amount
24 computed as follows by the Water Rights Panel for each Administrative Year.
25 The "normal" price as of the beginning of the Administrative Year charged by
26 Central Basin Municipal Water District (CBMWD) for treated MWD
27 (Metropolitan Water District of Southern California) water used for domestic and
28 municipal purposes shall be determined, and if on that date there are any changes

1 scheduled during that Administrative Year in CBMWD's "normal" price for such
2 category of water, the weighted daily "normal" CBMWD price shall be
3 determined and used in lieu of the beginning such price; and there shall be
4 deducted from such beginning or weighted price, as the case may be, the
5 "incremental cost of pumping water in Central Basin" at the beginning of the
6 Administrative Year and any then current rate or rates, of assessments levied on
7 the pumping of groundwater in Central Basin by Plaintiff District and any other
8 governmental agency. The "normal" price charged by CBMWD shall be the
9 highest price of CBMWD for normal service excluding any surcharge or higher
10 rate for emergency deliveries or otherwise failing to comply with CBMWD rates
11 and regulations relating to earlier deliveries. The "incremental cost of pumping
12 water in Central Basin" as of the beginning of the Administrative Year shall be
13 deemed to be the Southern California Edison Company Schedule No. PA-1 rate
14 per kilowatt-hour, including all adjustments and all uniform authorized additions
15 to the basic rate, multiplied by 560 kilowatt-hours per acre-foot, rounded to the
16 nearest dollar (which number of kilowatt-hours has been determined to represent
17 the average energy consumption to pump an acre-foot of water in Central Basin).
18 In applying said PA-1 rate the charge per kilowatt-hour under the schedule shall
19 be employed and if there are any rate blocks then the last rate block shall be
20 employed. Should a change occur in Edison schedule designations, the Water
21 Rights Panel shall employ that applicable to motors used for pumping water by
22 municipal utilities.

23 (11) Carry-over of Exchange Pool Purchases by Exchangees.

24 An Exchangee who does not extract from Central Basin in a particular
25 Administrative Year a quantity of water equal to the total of (a) its Allowed
26 Pumping Allocation for that particular Administrative Year, reduced by any
27 authorized amount of carryover into the next succeeding Administrative Year
28 pursuant to the provisions of Section III(A) of this Judgment, and (b) the quantity

1 that it purchased from the Exchange Pool for that particular Administrative Year,
2 may carry over into the next succeeding Administrative Year the right to extract
3 from Central Basin a quantity equal to the difference between said total and the
4 quantity actually extracted in that Administrative Year, but not exceeding the
5 quantity purchased from the Exchange Pool for that Administrative Year. Any
6 such carryover shall be in addition to that provided in said Section III(A).

7 If the "Basinwide Average Exchange Pool Price" in the next succeeding
8 Administrative Year exceeds the "Exchange Pool Price" in the previous
9 Administrative Year any such Exchangee exercising such carryover rights
10 hereinabove provided shall pay to the Watermaster, forthwith upon the
11 determination of the "Exchange Pool Price" in said succeeding Administrative
12 Year, and as a condition to such carryover rights, an additional amount
13 determined by multiplying the number of acre feet of carryover by the difference
14 in "Exchange Pool Price" as between the two Administrative Years. Such
15 additional payment shall be miscellaneous income to the Watermaster which shall
16 be applied by it against that share of the Watermaster's Administrative Body's
17 budget to be paid by the parties to this Agreement for the second Administrative
18 Year succeeding that in which the Exchange Pool water was so purchased. For
19 purposes of this paragraph, the term Basinwide Average Exchange Pool Price
20 means the average price per acre foot paid for Exchange Pool water produced
21 within the Central Basin during the year for which such determination is to be
22 made, taking into account all Exchange Pool transactions consummated during
23 that year.

24 (12) Notification by Watermaster to Exchangers and Exchangees of
25 Exchange Pool Requests and Allocations Thereof and Price of Exchange Pool
26 Water.

27 Not later than the 65th day after the commencement of each
28 Administrative Year, the Administrative Body of Watermaster shall determine

1 and notify all Exchangers and Exchangees of the total of the allocated requests for
2 Exchange Pool water and shall provide a schedule divided into categories of
3 requests showing the quantity allocated to each Exchangee and a schedule of the
4 allocation of the total Exchange Pool requirements among the Exchangers. Such
5 notification shall also advise Exchangers and Exchangees of the prices to be paid
6 to Exchangers for subscriptions utilized and the Exchange Pool Price for that
7 Administrative Year as determined by the Water Rights Panel. The
8 determinations of the Watermaster in this regard shall be subject to review by the
9 Court in accordance with the procedure set forth in Part II of this Judgment.

10 (13) Payment by Exchangees.

11 Each Exchangee shall, on or prior to last day of the third month of each
12 Administrative Year, pay to the Watermaster one-quarter of said price per acre-
13 foot multiplied by the number of acre feet of such party's approved request and
14 shall, on or before the last day of each of the next succeeding three months, pay a
15 like sum to the Watermaster. Such amounts must be paid by each Exchangee
16 regardless of whether or not it in fact extracts or uses any of the water it has
17 requested to purchase from the Exchange Pool.

18 (14) Payments to Exchangers.

19 As soon as possible after receipt of moneys from Exchangees, the
20 Watermaster shall remit to the Exchangers their pro rata portions of the amount so
21 received in accordance with the provisions of paragraph 10 above.

22 (15) Delinquent Payments.

23 Any amounts not paid on or prior to any due date above shall carry interest
24 at the rate of 1% per month or any part of a month. Any amounts required to be
25 so paid may be enforced by the equitable powers of the Court, including, but not
26 limited to, the injunctive process of the Court. In addition thereto, the
27 Watermaster, as Trustee for the Exchangers and acting through the Water Rights
28 Panel, may enforce such payment by any appropriate legal action, and shall be

1 entitled to recover as additional damages reasonable attorneys' fees incurred in
2 connection therewith. If any Exchangee shall fail to make any payments required
3 of it on or before 30 days after the last payment is due, including any accrued
4 interest, said party shall thenceforward not be entitled to purchase water from the
5 Exchange Pool in any succeeding Administrative Year except upon order of the
6 Court, upon such conditions as the Court may impose.

7
8 IV. PROVISIONS FOR THE STORAGE OF WATER AND THE EXTRACTION
9 OF STORED WATER.

10 A. Adjudication of Available Dewatered Space, Storage Capacity and
11 Storage Apportionment.

12 There exists within the Basin a substantial amount of available space which has
13 not been optimally utilized for basin management and for storage of native and imported
14 waters. The Court finds and determines that (i) there is 330,000 acre feet of Available
15 Dewatered Space in the Basin; (ii) use of this Available Dewatered Space will increase
16 reasonable and beneficial use of the Basin by permitting the more efficient procurement
17 and management of Replenishment Water, conjunctive use, and for direct and in-lieu
18 recharge, thereby increasing the prudent storage and recovery of Stored Water for later
19 use by parties to this Judgment, conservation of water and reliability of the water supply
20 available to all Parties; and (iii) use of the Available Dewatered Space pursuant to the
21 terms and conditions of this Judgment will not result in Material Physical Harm.

22 B. Avoidance of Material Physical Harm.

23 It is essential that the use of the Available Dewatered Space be undertaken for the
24 greatest public benefit pursuant to uniform, certain, and transparent regulation that
25 encourages the conservation of water and reliability of the water supply, avoids Material
26 Physical Harm, and promotes the reasonable and beneficial use of water. Accordingly,
27 in the event Watermaster becomes aware of the development of a Material Physical
28 Harm, or imminent threat of the development of a Material Physical Harm, relating to the

1 use of the Available Dewatered Space, Watermaster shall, within thirty (30) days
2 thereafter, notice a hearing before the Court and concurrently file a report with the Court,
3 served on all parties, which shall explain the relevant facts then known to Watermaster
4 relating to the Material Physical Harm, or imminent threat thereof, including without
5 limitation, the location of the occurrence, the source or cause, existing and potential
6 physical impacts or consequences of the identified or threatened material Physical Harm,
7 and any recommendations to remediate the identified or threatened Material Physical
8 Harm.

9 C. Apportionment of Available Dewatered Space.

10 To fairly balance the needs of the divergent interests of parties having water rights
11 in the Basin, on the one hand, and the replenishment functions of WRD on the other
12 hand, and in consideration of the shared desire and public purpose of removing
13 impediments to the voluntary conservation, storage, exchange and transfer of water, all
14 of the Available Dewatered Space is hereby adjudicated and apportioned into
15 complimentary classifications of Stored Water and a Basin Operating Reserve as set
16 forth in this Part IV. The apportionment contemplates flexible administration of storage
17 capacity where use is apportioned among competing needs, while allowing all Available
18 Dewatered Space to be used from time to time on a "space available" basis, subject to the
19 priorities specified in this Judgment, and as further defined in Section IV(1) of this
20 Judgment. The Court further finds and determines that, of the Available Dewatered
21 Space, there is 220,000 acre-feet of storage capacity in the Central Basin which is
22 presently available ("Adjudicated Storage Capacity"). The use of Adjudicated Storage
23 Capacity as provided in this Judgment will not adversely affect the efficient operation of
24 the Basin or the recharge of water necessary for the production of the parties' respective
25 Allowed Pumping Allocations. The apportionment of Adjudicated Storage Capacity as
26 provided herein will allow for flexible administration of groundwater storage within the
27 Basin. The Adjudicated Storage Capacity is hereby assigned to Individual Storage
28 Allocations and Community Storage as provided herein, provided however that if all

1 space in a particular classification is fully occupied then, on a "space available" basis, to
2 available space within the other classifications of Adjudicated Storage Capacity and,
3 only then, to available space within Basin Operating Reserve.

4 The Court further finds and determines that, out of the Available Dewatered
5 Space, there is 110,000 acre feet that should be set aside for use by WRD as a Basin
6 Operating Reserve, provided in Section IV(L), and subject to temporary occupancy by
7 Stored Water as permitted hereunder.

8 No storage of water shall occur in the Basin except in conformity with this
9 Judgment.

10 D. Individual Storage Allocation.

11 Each Party having an adjudicated groundwater extraction right hereunder shall
12 have a priority right to store water in an Individual Storage Account, through conversion
13 of Carryover to Stored Water as provided herein, or by any means authorized by this
14 Judgment, up to a maximum of 50% of such party's Allowed Pumping Allocation. The
15 cumulative quantity of Adjudicated Storage Capacity subject to individual storage
16 allocation is 108,750 acre-feet. In recognition of prior importation of water which was
17 introduced into the Basin as Stored Water, and which has not yet been extracted, the
18 Court finds and determines that, as of the date of this Order, the following Parties have
19 occupied a portion of their respective Individual Storage Allocations and have all
20 associated rights therein, as follows:

21	City of Long Beach:	13,076.8 acre-feet
22	City of Lakewood:	500 acre-feet
23	City of Downey:	500 acre-feet
24	City of Cerritos	500 acre-feet

25 E. Community Storage; Regional Disadvantaged Communities Incentive
26 Program.

27 In addition to Individual Storage Allocation, a Party that has fully occupied its
28 Individual Storage allocation may, on a first in time, first in right basis (subject to the

1 limits expressed below) place water into storage in the "Community Storage Pool." The
2 cumulative quantity of Adjudicated Storage Capacity allocated to Community Storage
3 shall be 111,250 acre-feet. So long as there is available capacity in the Community
4 Storage Pool, any Party may store water in the Community Storage Pool through
5 conversion of Carryover to Stored Water as provided herein, or by any other means
6 authorized by this Judgment, provided such Party has first fully occupied that party's
7 available Individual Storage Allocation.

8 (1) Parties to this Judgment which, as of January 1, 2013, held
9 Allowed Pumping Allocation of not greater than 5,000 acre-feet shall have a first
10 priority right to occupy, in the aggregate, up to 10,000 acre-feet of storage space
11 within the Central Basin Community Storage Pool, on the basis of first in time,
12 first in right.

13 (2) Water stored pursuant to the Regional Disadvantaged
14 Communities Incentive Program shall have a second priority right to occupy up to
15 23,000 acre-feet within the Community Storage Pool, on such terms as shall be
16 determined by the Court.

17 (3) Any further storage in excess of the maximum quantity of
18 Community Storage will be on a "space-available" interim basis. From time to
19 time, and on a "space-available" basis, the total quantity of water available for
20 storage is permitted to exceed Adjudicated Storage Capacity for the Community
21 Storage Pool on an interim basis. This interim storage may occur if storage
22 capacity exists as a result of unused Adjudicated Storage Capacity within other
23 classifications, or available space exists in the Basin Operating Reserve. Such
24 interim storage, however, is subject to priority rights to such Dewatered Space as
25 provided in this Judgment. A party that seeks to convert the water temporarily
26 held in interim storage to a more firm right, may contract for the use of another
27 party's Individual Storage Allocation, or may add such water to the Community
28 Storage Pool once space therein becomes available.

1 (4) After a party occupies available storage capacity within the
2 Community Storage Pool and then withdraws water from the Community Storage
3 Pool, the storing party will be allowed a period of twenty-four (24) months to
4 refill the evacuated storage before the capacity will be determined excess and
5 available for use by other parties. Once the Basin's Community Storage Pool has
6 been filled for the first time, a party may exercise its twenty-four (24) month refill
7 priority only once, and then only provided there is then capacity available to
8 permit that party to refill the vacated space. Except to the extent Community
9 Storage space may be subject to such priority right to re-fill, all space therein shall
10 be occupied on a first in time, first in right basis.

11 (5) A party that has occupied storage in the Community Storage Pool
12 for ten (10) consecutive years shall be deemed to extract its Stored Water first in
13 subsequent years (notwithstanding the order of water production set forth in
14 Section I(B)(3)) until its entire Community Storage account has been extracted,
15 but thereafter may again make use of Community Storage on the same terms
16 available to other parties on a first in time, first in right, space-available basis.

17 (6) Any quantity of water held in the Community Storage Pool for a
18 term greater than ten (10) consecutive years shall be assessed an annual water loss
19 equal to 5% of the lowest quantity of water held within the party's Community
20 Storage Pool account at any time during the immediately preceding ten-year
21 period. The lowest quantity means the smallest amount of water held by the Party
22 in the Community Storage Pool during any of the preceding ten (10) years, with a
23 new loss calculation being undertaken every year. Water subject to the loss
24 assessment will be deemed dedicated to the Basin Operating Reserve in
25 furtherance of the physical solution without compensation. Water lost to the
26 Basin shall constitute water replenished into the Central Basin for the benefit of
27 all parties

28 F. Limit on Storage.

1 Irrespective of the category of storage utilized, each party to this Judgment may
2 not cumulatively have in storage at any time Stored Water totaling more than two
3 hundred percent (200%) of that party's Allowed Pumping Allocation. Subject to the
4 foregoing, the right to produce Stored Water may be freely transferred to another party to
5 this Judgment, or as otherwise permitted herein.

6 G. Extractions of Stored Water; Exemption from Replenishment Assessment.

7 The Court finds and declares that the extraction of Stored Water as permitted
8 hereunder does not constitute "production of groundwater" within the meaning of Water
9 Code Section 60317 and that no Replenishment Assessment shall be levied on the
10 extraction of Stored Water. WRD has stipulated to the same. This determination reflects
11 the practical application of certain provisions of this Judgment concerning storage of
12 water, including, without limitation, understanding the following: (1) payment of the
13 Replenishment Assessment is required upon the conversion of Carryover Water into
14 storage, and; (2) developed water introduced into the Basin for storage by or on behalf of
15 a Party through spreading or injection need not be replenished by WRD and should not
16 be subject to the Replenishment Assessment.

17 H. Storage Procedure.

18 The Administrative Body shall (i) prescribe forms and procedures for the orderly
19 reporting of Stored Water, (ii) maintain records of all water stored in the Basin, and (iii)
20 undertake monitoring and modeling of Stored Water as may be reasonably required. As
21 to any Storage Projects that will require review and approval by the Storage Panel, the
22 Administrative Body shall provide appropriate applications, and shall work with project
23 applicants to complete the application documents for presentation to the Storage Panel.
24 The Administrative Body shall be responsible for conducting any groundwater modeling
25 necessary to evaluate a proposed Storage Project. The proponent of a proposed project
26 will bear all costs associated with the review of the application for approval of the project
27 and all costs associated with its implementation. Nothing in this Judgment shall alter the
28 applicant(s) duty to comply with CEQA or to meet other legal requirements as to any

1 proposed Storage Project. Within thirty (30) days after final submission of the storage
2 application documents, the Administrative Body shall provide notice of the storage
3 application (either by electronic mail or U.S. postal mail), together with a copy of the
4 application documents, to all parties possessing an Allowed Pumping Allocation, and to
5 any other person requesting notice thereof. Following notice, any necessary hearings
6 before the Storage Panel shall be conducted as provided in Section IV(O) of this
7 Judgment.

8 I. Loss of Stored Water/Relative Priority.

9 To balance the need to protect priority uses of storage and to encourage the full
10 utilization of Adjudicated Storage Capacity and Basin Operating Reserve where it can be
11 accommodated without interference with priority uses, and except as otherwise provided
12 in this Judgment, no water held in any authorized storage account will be deemed lost
13 from that storage account unless the cumulative quantity of water held as Stored Water
14 plus the quantity of water held within the Basin Operating Reserve exceeds 330,000
15 acre-feet. Where all Adjudicated Storage Capacity and Basin Operating Reserve has
16 been occupied, the first Stored Water to be deemed lost shall be the last water stored as
17 Community Storage. Upon receipt of a bona fide request by another use entitled to
18 priority hereunder, Watermaster shall issue a notice requiring the other parties to
19 evacuate their Stored Water. Any Stored Water that is not evacuated shall be deemed
20 dedicated to the Basin Operating Reserve in furtherance of the physical solution without
21 compensation and accounted for accordingly.

22 J. Limits on Extraction.

23 Anything in this Judgment to the contrary notwithstanding, no party shall extract
24 greater than 140% of the sum of (i) the party's Allowed Pumping Allocation and (ii) the
25 party's leased water, except upon prior approval by the Water Rights Panel. For this
26 purpose, a party's total extraction right for a particular year shall include that party's
27 Allowed Pumping Allocation and any contractual right through lease or other means to
28 utilize the adjudicated rights of another party. Where such proposed extraction would

1 occur within the Central Basin Pressure Area as defined by Watermaster consistent with
2 historical records, the Water Rights Panel shall submit such request for review by the
3 Board of WRD. The Water Rights Panel shall not approve any request for over-
4 extraction within the Pressure Area without a written finding by the Board of WRD that
5 such over-extraction will not cause Material Physical Harm. The role of the Board of
6 WRD in this process shall not be read to expand or restrict WRD's statutory authority.
7 Consideration shall be on an expedited basis.

8 K. Increased Extractions in the Central Basin for Certain Water Purveyors.

9 (1) This Court also maintains continuing jurisdiction over the West
10 Coast Basin, which bounds the Central Basin to the west.

11 (2) Certain Water Purveyors are parties to both this Amended
12 Judgment and the judgment governing the West Coast Basin and serve
13 communities overlying both the Central Basin and the West Coast Basin.

14 (3) Certain Water Purveyors may exceed their Allowed Pumping
15 Allocation in any Administrative Year, subject to all of the following conditions:

16 (a) The Water Purveyor is one of the following eligible Parties:

17 (i) City of Los Angeles

18 (ii) Golden State Water Company

19 (iii) California Water Service Company.

20 (b) Increased extractions pursuant to this Section shall not
21 exceed 5,000 acre-feet per Water Purveyor for the particular
22 Administrative Year.

23 (c) Increased extractions pursuant to this Section shall not
24 exceed the Water Purveyor's unused "Adjudicated Rights" in the West
25 Coast Basin.

26 (d) Increased extractions pursuant to this Section shall not
27 result in Material Physical Harm.

28 (4) Notwithstanding the foregoing, nothing herein permits extraction

1 of water within the Central Basin in excess of 140% of Allowed Pumping
2 Allocation for the particular Administrative Year, except as otherwise permitted
3 under this Judgment.

4 (5) Replenishment of any water extracted from the Central Basin
5 pursuant to this Section shall occur exclusively in the Central Basin.

6 (6) The benefits of this Section are made available only to the certain
7 Water Purveyors that serve communities overlying the Central Basin and
8 communities overlying the West Basin, in recognition of the management of
9 water resources by those Water Purveyors to serve such overlying communities.
10 It is not made, nor is it related to, a determination of an underflow between the
11 basins, a cost or benefit allocation, or any other factor relating to the allocation of
12 the Replenishment Assessment.

13 L. Special Provisions for Temporary Storage within Community Storage
14 Pool.

15 The Central Basin Municipal Water District ("CBMWD") shall take such action
16 as may be necessary to reduce its Allowed Pumping Allocation to five (5) acre-feet or
17 fewer by December 31, 2018, and has agreed, by stipulation, not to acquire any
18 additional Central Basin water rights. Upon application by CBMWD, the Storage Panel
19 may, after making each of the findings required in this subsection, approve storage of
20 water by CBMWD within the Community Storage Pool subject to the stated conditions.
21 The Storage Panel may only authorize such storage after finding each of the following to
22 be true as of the date of such approval:

23 (1) CBMWD (a) then owns five (5) acre-feet or fewer of Allowed
24 Pumping Allocation, and (b) has not produced water utilizing any extraction
25 rights it holds within the Basin but has only engaged in the sale or leasing of those
26 rights to others.

27
28 (2) There is available space for Storage within the Community Storage

1 Pool.

2
3 (3) CBMWD has identified a source of imported water that may be
4 brought into the Basin and stored underground.

5 (4) The water identified for storage (a) is unlikely to be acquired by
6 other parties through surface delivery for use within the Basin, and (b) was
7 offered to WRD to purchase for replenishment purposes at the same price that
8 CBMWD otherwise sells imported water to WRD and WRD declined to purchase
9 said water, within a reasonable period of time.

10
11 (5) There will be no Material Physical Harm associated with the
12 introduction of the water into storage, or its extraction, in the manner approved by
13 the Storage Panel.

14 The condition expressed in Section IV(L)(1)(a) above shall not be operative until
15 January 1, 2019, or upon reduction of CBMWD's Allowed Pumping Allocation
16 to five (5) acre-feet or fewer, whichever first occurs. CBMWD may not extract
17 the Stored Water, and may instead only transfer that Stored Water to a party
18 having extraction rights, or to WRD for replenishment purposes only. Such
19 Stored Water not so transferred within three (3) years following its storage may
20 be purchased by WRD, at its option, for replenishment purposes only, at a price
21 not exceeding the actual cost incurred by CBMWD in importing and storing the
22 water in the first instance, plus a reasonable administrative charge for overhead
23 not exceeding five percent (5%) of the price paid by CBMWD for the water with
24 no other fees or markups imposed by CBMWD. Except as otherwise permitted in
25 this Section, any such Stored Water held by CBMWD for a term greater than
26 three (3) years shall be assessed an annual water loss equal to 10% of the amount
27 of such Stored Water at the end of each year. Water subject to the loss
28

1 assessment will be deemed dedicated to the Basin Operating Reserve in
2 furtherance of the physical solution without further compensation. The Storage
3 Panel shall grant CBMWD one or more extensions of such term, not exceeding
4 total extensions of three (3) additional years, following public hearing, if the
5 Storage Panel determines that the Stored Water has been actively marketed by
6 CBMWD for transfer to Parties on reasonable terms in the previous year. The
7 Storage Panel may impose such additional reasonable conditions as it determines
8 to be appropriate. Any review by the Storage Panel hereunder shall only occur at
9 a public hearing held following at least 15 days' (but not more than 30 days')
10 mailed notice to all Parties to this Judgment, at which hearing an opportunity for
11 public comment shall be afforded in advance of any such decision. However, the
12 Storage Panel may consider an application on shorter notice under exigent
13 circumstances, including the potential loss of the water proposed to be stored if
14 action is not taken sooner. CBMWD shall have the right to appeal any action or
15 inaction by the Storage Panel to this court. The storage and extraction of Stored
16 Water hereunder shall otherwise be subject to all other provisions of this
17 Judgment. The court finds and declares that this subsection constitutes a "court
18 order issued by a court having jurisdiction over the adjudication of groundwater
19 extraction rights within the groundwater basin where storage is sought" within the
20 meaning of Water Code §71610(b)(2)(B). Nothing in this provision impedes
21 CBMWD's ability to store water pursuant to a contract with an adjudicated
22 groundwater extraction rights holder as permitted by Water Code
23 § 71610(b)(2)(A) and otherwise in accordance with this Judgment.

24 M. Basin Operating Reserve.

25 It is in the public interest and in furtherance of the physical solution for WRD to
26 prudently exercise its statutory discretion to purchase, spread, and inject Replenishment
27 Water, to provide for in-lieu replenishment, and otherwise to fulfill its replenishment
28 function within the Basin as provided in Water Code Section 60000 et. seq. Hydrologic,

1 regulatory and economic conditions now prevailing within the State require that WRD be
2 authorized to exercise reasonable discretion and have flexibility in the accomplishment
3 of its replenishment function. Accordingly, WRD may pre-purchase or defer the
4 purchase of Replenishment Water, and may otherwise purchase and manage available
5 sources of Replenishment Water under the most favorable climatic and economic
6 conditions as it may determine reasonable and prudent under the circumstances. It is the
7 intent of the parties to preserve space for such replenishment activities, including capture
8 of natural inflows during wet years, recapture of water when possible, and artificial
9 replenishment when water is available at discounted rate, for the benefit of the Basin and
10 the parties to the Judgment. The Basin Operating Reserve is intended to allow WRD to
11 meet its replenishment needs to make APA available for extraction by all water rights
12 holders. Accordingly, WRD shall have a priority right to occupy up to 110,000 acre-feet
13 of the Available Dewatered Space as the "Basin Operating Reserve" for the acquisition
14 and replenishment of water, or to ensure space remains available in the Basin to capture
15 natural inflows during wet years for the benefit of the parties to the Judgment, to offset
16 over-production. The priority right is not intended to allow WRD to sell or lease stored
17 water, storage, or water rights. To the extent WRD does not require the use of all of such
18 Basin Operating Reserve, that portion of the Basin Operating Reserve that is not then
19 being used shall be available to other Parties to store water on a temporary and space-
20 available basis. No Party may use any portion of the Basin Operating Reserve for space-
21 available storage unless that Party has already maximized its allowed Storage pursuant to
22 its Individual Storage Allocation and all available Community Storage is already in use.
23 WRD's failure to use any portion of its Basin Operating Reserve shall not cause
24 forfeiture or create a limitation of its right to make use of the designated space in the
25 future. WRD's first priority right to this category of space shall be absolute. To the
26 extent that there is a conflict between WRD and a third party regarding the availability of
27 and desire to use any portion of the space available for replenishment up to the maximum
28 limits set forth in this section, the interests of WRD will prevail. If a party other than

1 WRD is using the Basin Operating Reserve space on a “space available” basis and a
2 conflict develops between WRD and the storing party, the storing party will, upon notice
3 from WRD, evacuate the Stored Water within ninety (90) days thereafter. In such event,
4 temporary occupancy within the Basin Operating Reserve shall be first in time, first in
5 right, and the last Party to store water shall be required to evacuate first until adequate
6 space shall be made available within the Basin Operating Reserve to meet WRD’s needs.
7 The storing party or parties assume all risks of waste, spill and loss regardless of the
8 hardship. Stored Water that is not evacuated following WRD’s notice of intent to occupy
9 the Basin Operating Reserve will be deemed dedicated to the Basin Operating Reserve in
10 furtherance of the physical solution without compensation and accounted for
11 accordingly. Nothing herein shall permit WRD to limit or encumber, by contract or
12 otherwise, its right to use the Basin Operating Reserve for Replenishment purposes for
13 any reason, or to make space therein available to any person by any means.
14 Notwithstanding the foregoing, to the extent excess space is available, water evacuated
15 from the Basin Operating Reserve as provided in this Section shall be deemed added to
16 available space within the Individual Storage Allocations and Community Storage Pool,
17 subject to the priority rights otherwise provided in this Judgment.

18 N. Water Augmentation.

19 The parties, in coordination with WRD, may undertake projects that add to the
20 long-term reliable yield of the Basin. Innovations and improvements in practices that
21 increase the conservation and maximization of the reasonable and beneficial use of water
22 should be promoted. To the extent that Parties to the Judgment, in coordination with
23 WRD, implement a project that provides additional long-term reliable water supply to the
24 Central Basin, the annual extraction rights in the Central Basin will be increased
25 commensurately in an amount to be determined by the Storage Panel to reflect the actual
26 yield enhancement associated with the project. Augmented supplies of water resulting
27 from such a project may be extracted or stored as permitted in this Judgment in the same
28 manner as other water. Participation in any Water Rights Augmentation Project shall be

1 voluntary. A party may elect to treat a proposed project as a Water Augmentation
2 Project (for the purpose of seeking an increase in that party's Allowed Pumping
3 Allocation) or may elect to treat such a project as a Storage Project under the other
4 provisions of this Judgment. The terms of participation in any Water Augmentation
5 Project will be at the full discretion of the participating parties. All Water Augmentation
6 Projects will be approved by the Storage Panel.

7 (1) Participating Parties.

8 Parties who propose a Water Augmentation Project ("Project Leads") may
9 do so in their absolute discretion, upon such terms as they may determine. All
10 other parties to this Judgment will be offered an opportunity to participate in the
11 Water Augmentation Project on condition that they share proportionally in
12 common costs and benefits, and assume the obligation to bear exclusively the cost
13 of any improvements that are required to accommodate their individual or
14 particular needs. Notice shall be provided which generally describes the project
15 and the opportunity to participate with sufficient time for deliberation and action
16 by any of these parties who could potentially participate. Disputes over the
17 adequacy of notice shall be referred to the Storage Panel, and then to the Court
18 under its continuing jurisdiction. Parties who elect to participate ("Project
19 Participants") may do so provided they agree to offer customary written and
20 legally binding assurances that they will bear their proportionate costs attributable
21 to the Water Rights Augmentation Project, or provide other valuable
22 consideration deemed sufficient by the Project Leads and the Project Participants.

23 (2) Determination of Additional Extraction Rights.

24 The amount of additional groundwater extraction as a result of a Water
25 Augmentation project will be determined by the Storage Panel, subject to review
26 by the Court. The determination will be based upon substantial evidence which
27 supports the finding that the Water Augmentation project will increase the long-
28 term sustainable yield of the respective Basin by an amount at least equal to the

1 proposed increase in extraction rights.

2 (3) Increase in Extraction Rights.

3 A party that elects to participate and pays that party's full pro-rata share of
4 costs associated with any Water Augmentation Project and/or reaches an
5 agreement with other participants based upon other valuable consideration
6 acceptable to the Project Leads and Project Participants, will receive a
7 commensurate increase in extraction rights. Non-participating parties will not
8 receive an increase or a decrease in extraction rights. Any party that elects not to
9 participate will not be required to pay any of the costs attributable to the particular
10 Water Augmentation Project, whether directly or indirectly as a component of the
11 WRD Replenishment Assessment.

12 (4) Nominal Fluctuations.

13 Because water made available for Water Rights Augmentation will be
14 produced annually, fluctuations in groundwater levels will be temporary, nominal
15 and managed within the Basin Operating Reserve.

16 (5) Availability of New Water.

17 The amount of additional groundwater extraction established as a result of
18 a Water Augmentation Project shall be equal to the quantity of new water in the
19 Basin that is attributable to that Water Augmentation Project. No extraction shall
20 occur and no extraction right shall be established until new water has been
21 actually introduced into the Basin as a result of the Project. Any approval for a
22 Water Augmentation Project shall include provisions (a) requiring regular
23 monitoring to determine the actual amount of such new water made available, (b)
24 requiring make-up water or equivalent payment therefor to the extent that actual
25 water supply augmentation does not meet projections, and (c) adjusting extraction
26 rights attributable to the Water Augmentation Project to match the actual water
27 created. The right to extract augmented water from the Basin resulting from a
28 party's participation in a Water Augmentation Project shall be accounted for

1 separately and shall not be added to a party's Allowed Pumping Allocation. No
2 Replenishment Assessment shall be levied against the extraction of augmented
3 water.

4 (6) Limitation.

5 Notwithstanding the foregoing, WRD will not obtain any water rights or
6 extraction rights under this Judgment by virtue of its participation in a Water
7 Augmentation Project. If WRD participates in a Water Rights Augmentation
8 Project through funding or other investments, its allocation of new water from the
9 project shall be used to offset its replenishment responsibilities.

10 O. Limits on Watermaster Review.

11 It shall not be necessary for Watermaster, or any constituent body thereof, to
12 review or approve any of the following before the affected Party may proceed: (i)
13 exercise of adjudicated water rights consistent with this Judgment, except for extraction
14 above 140% of a Party's extraction right as set out in Section IV(J) of this Judgment; (ii)
15 replenishment of the Basin with Replenishment Water by WRD consistent with Water
16 Code Section 60000 et seq., including replenishment of water produced by water rights
17 holders through the exercise of adjudicated water rights; (iii) WRD's operations within
18 the Basin Operating Reserve; (iv) Carryover Conversion or other means of the filling of
19 the Individual Storage Accounts and the Community Storage Pool, as provided in this
20 Judgment, as long as existing water production, spreading, or injection facilities are used;
21 and (v) individual transfers of the right to produce Stored Water as permitted in Section
22 IV(F). All other Storage Projects and all Water Augmentation Projects shall be subject
23 to review and approval as provided herein, including (i) material variances to substantive
24 criteria governing projects exempt from the review and approval process, (ii)
25 modifications to previously approved Storage Projects and agreements, (iii) a party's
26 proposal for Carryover Conversion in quantities greater than the express apportionment
27 of Adjudicated Storage Capacity on a non-priority, space-available, interim basis, and
28 (iv) Storage, by means other than Carryover Conversion, when new production,

1 spreading, or injection facilities are proposed to be utilized.

2 P. Hearing Process For Watermaster Review.

3 The following procedures shall be followed by Watermaster where Watermaster
4 review of storage or extraction of Stored Water is required or permitted under this
5 Judgment:

6 (1) No later than thirty (30) days after notice has been issued for the
7 storage application, the matter shall be set for hearings before the Storage Panel.
8 A staff report shall be submitted by WRD staff in conjunction with the completed
9 storage application documents and the Water Rights Panel may prepare an
10 independent staff report, if it elects to do so.

11 (2) The Board of WRD and the Water Rights Panel (sitting jointly as
12 the Storage Panel) shall conduct a joint hearing concerning the storage
13 application.

14 (3) All Watermaster meetings shall be conducted in the manner
15 prescribed by the applicable Rules and Regulations. The Rules shall provide that
16 all meetings of Watermaster shall be open to water rights holders and that
17 reasonable notice shall be given of all meetings.

18 (4) The Board of WRD and the Water Rights Panel shall each adopt
19 written findings explaining its decision on the proposed Storage Project, although
20 if both entities reach the same decision on the Storage Project, they shall work
21 together to adopt a uniform set of findings.

22 (5) Unless both the Board of WRD and the Water Rights Panel
23 approve the Storage Project, the Storage Project application shall be deemed
24 denied (a "Project Denial"). If both the Board of WRD and the Water Rights
25 Panel approve the Storage Project, the Storage Project shall be deemed approved
26 (a "Project Approval").

27 Q. Trial Court Review

28 (1) The applicant may seek the Storage Panel's reconsideration of a

1 Project Denial. However, there shall be no process for mandatory reconsideration
2 or mediation of a Project Approval or a Project Denial either before the
3 Administrative Body, or before the Water Rights Panel.

4 (2) Any Party may file an appeal from a Project Approval or Project
5 Denial with this Court, as further described in Section II(F).

6 (3) In order to (a) promote the full presentation of all relevant
7 evidence before the Storage Panel in connection with its consideration of any
8 proposed Storage Project, (b) achieve an expeditious resolution of any appeal to
9 the Court, and (c) accord the appropriate amount of deference to the expertise of
10 the Storage Panel, the appeal before the Court shall be based solely on the
11 administrative record, subject only to the limited exception in California Code of
12 Civil Procedure section 1094.5(e).

13 (4) If both the WRD Board and the Water Rights Panel each vote to
14 deny or approve a proposed Storage Project, it shall be an action by the Storage
15 Panel and that decision shall be accorded by the Court deference according to the
16 substantial evidence test. If one of the reviewing bodies votes to approve the
17 proposed Storage Project and the other reviewing body votes to deny the proposed
18 storage project, then the Court's review shall be *de novo*, although still restricted
19 to the administrative record. In the case of any *de novo* Trial Court review, the
20 findings made by the respective Watermaster bodies shall not be accorded any
21 weight independent of the evidence supporting them.

22 R. Space Available Storage, Relative Priority, and Dedication of "Spilled"
23 Water.

24 To balance the need to protect priority uses of storage and to encourage the full
25 utilization of Available Dewatered Space within the Adjudicated Storage Capacity and
26 the Basin Operating Reserve, any Party may make interim, temporary use of then
27 currently unused Available Dewatered Space within any category of Adjudicated Storage
28 Capacity, and then if all Adjudicated Storage Capacity is being fully used for Stored

1 Water within the Basin Operating Reserve ("Space-Available Storage"), subject to the
2 following criteria:

3 (1) Any Party may engage in Space-Available Storage without prior
4 approval from Watermaster provided that the storing Party or Parties shall assume
5 all risks of waste, spill, and loss regardless of the hardship. Whenever the Storage
6 Panel determines that a Party is making use of excess Available Dewatered Space
7 for Space-Available Storage, the Storage Panel shall issue written notice to the
8 Party informing them of the risk of spill and loss.

9 (2) Whenever the Available Dewatered Space is needed to
10 accommodate the priority use within a respective category of Adjudicated Storage
11 Capacity, or WRD seeks to make use of its priority right to the Basin Operating
12 Reserve to fulfill its replenishment function, the Storage Panel shall issue a notice
13 to evacuate the respective category of Adjudicated Storage Capacity or Basin
14 Operating Reserve, as applicable, within the time-periods set forth within this
15 Amended Judgment. To the extent the Stored Water is not timely evacuated such
16 Stored Water will be placed into any other excess Available Dewatered Space,
17 first within the Adjudicated Storage Capacity, if available, and then if all
18 Adjudicated Storage Capacity is being fully used for Stored Water within the
19 Basin Operating Reserve. If no excess Available Dewatered Space is available
20 within the Basin Operating Reserve, then the Stored Water shall be deemed
21 spilled and will be deemed dedicated to the Basin Operating Reserve in
22 furtherance of the physical solution without compensation and accounted for
23 accordingly. A Party that seeks to convert the Stored Water temporarily held in
24 interim storage as Space-Available Storage to a more firm right, may in its
25 discretion, contract for the use of another Party's Individual Storage Allocation,
26 or may add such water to the Community Storage Pool once space therein
27 becomes available.

28 (3) No Stored Water will be deemed abandoned unless the cumulative

1 quantity of water held as Stored Water plus the quantity of water held in the Basin
2 Operating Reserve exceeds 330,000 (three hundred and thirty thousand) acre-feet
3 in the Central Basin.
4

5 V. CONTINUING JURISDICTION OF THE COURT.

6 The Court hereby reserves continuing jurisdiction and upon application of any interested
7 party, or upon its own motion, may review and redetermine the following matters and any
8 matters incident thereto:

9 A. Its determination of the permissible level of extractions from Central
10 Basin in relation to achieving a balanced basin and an economic utilization of Central
11 Basin for groundwater storage, taking into account any then anticipated artificial
12 replenishment of Central Basin by governmental agencies for the purpose of alleviating
13 what would otherwise be annual overdrafts upon Central Basin and all other relevant
14 factors.

15 B. Whether in accordance with applicable law any party has lost all or any
16 portion of his rights to extract groundwater from Central Basin and, if so, to ratably
17 adjust the Allowed Pumping Allocations of the other parties and ratably thereto any
18 remaining Allowed Pumping Allocation of such party.

19 C. To remove any Watermaster or constituent body appointed from time to
20 time and appoint a new Watermaster; and to review and revise the duties, powers and
21 responsibilities of the Watermaster or its constituent bodies and to make such other and
22 further provisions and orders of the Court that may be necessary or desirable for the
23 adequate administration and enforcement of the Judgment.

24 D. To revise the price to be paid by Exchangees and to Exchangors for
25 Exchange Pool purchases and subscriptions.

26 E. In case of emergency or necessity, to permit extractions from Central
27 Basin for such periods as the Court may determine: (i) ratably in excess of the Allowed
28 Pumping Allocations of the parties; or (ii) on a non-ratable basis by certain parties if

1 either compensation or other equitable adjustment for the benefit of the other parties is
2 provided. Such overextractions may be permitted not only for emergency and necessity
3 arising within Central Basin area, but to assist the remainder of the areas within The
4 Metropolitan Water District of Southern California in the event of temporary shortage or
5 threatened temporary shortage of its imported water supply, or temporary inability to
6 deliver the same throughout its area, but only if the court is reasonably satisfied that no
7 party will be irreparably damaged thereby. Increased energy cost for pumping shall not
8 be deemed irreparable damage. Provided, however, that the provisions of this
9 subparagraph will apply only if the temporary shortage, threatened temporary shortage,
10 or temporary inability to deliver was either not reasonably avoidable by the Metropolitan
11 Water District, or if reasonably avoidable, good reason existed for not taking the steps
12 necessary to avoid it.

13 F. To review actions of the Watermaster.

14 G. To assist the remainder of the areas within The Metropolitan Water
15 District of Southern California within the parameter set forth in subparagraph (e) above.

16 H. To provide for such other matters as are not contemplated by the Judgment
17 and which might occur in the future, and which if not provided for would defeat any or
18 all of the purposes of this Judgment to assure a balanced Central Basin subject to the
19 requirements of Central Basin Area for water required for its needs, growth and
20 development.

21 The exercise of such continuing jurisdiction shall be after 30 days' notice to the parties,
22 with the exception of the exercise of such continuing jurisdiction in relation to subparagraphs E
23 and G above, which may be *ex parte*, in which event the matter shall be forthwith reviewed
24 either upon the Court's own motion or the motion of any party upon which 30 days' notice shall
25 be so given. Within ten (10) days of obtaining any *ex parte* order, the party so obtaining the
26 same shall mail notice thereof to the other parties. If any other party desires Court review
27 thereof, the party obtaining the *ex parte* order shall bear the reasonable expenses of mailing
28 notice of the proceedings, or may in lieu thereof undertake the mailing. Any contrary or

1 modified decision upon such review shall not prejudice any party who relied on said *ex parte*
2 order.

3
4 VI. GENERAL PROVISIONS.

5 A. Judgment Constitutes Inter Se Adjudication.

6 This Judgment constitutes an inter se adjudication of the respective rights of all
7 parties, except as may be otherwise specifically indicated in the listing of the water rights
8 of the parties of this Judgment, or in Appendix "2" hereof. All parties to this Judgment
9 retain all rights not specifically determined herein, including any right, by common law
10 or otherwise, to seek compensation for damages arising out of any act or omission of any
11 person. This Judgment constitutes a "court order" within the meaning of Water Code
12 Section 71610(B)(2)(b).

13 B. Assignment, Transfer, Etc., of Rights.

14 Subject to the other provision of this Judgment, and any rules and regulations of
15 the Watermaster requiring reports relative thereto, nothing herein contained shall be
16 deemed to prevent any party hereto from assigning, transferring, licensing or leasing all
17 or any portion of such water rights as it may have with the same force and effect as
18 would otherwise be permissible under applicable rules of law as exist from time to time.

19 C. Service Upon and Delivery to Parties of Various Papers.

20 Service of the Judgment on those parties who have executed that certain
21 Stipulation and Agreement for Judgment or who have filed a notice of election to be
22 bound by the Exchange Pool provisions shall be made by first class mail, postage
23 prepaid, addressed to the designee and at the address designated for that purpose in the
24 executed and filed Counterpart of the Stipulation and Agreement for Judgment or in the
25 executed and filed "Notice of Election to be Bound by Exchange Pool Provisions," as the
26 case may be, or in any substitute designation filed with the Court.

27 Each party who has not heretofore made such a designation shall, within 30 days
28 after the Judgment shall have been served upon that party, file with the Court, with proof

1 of service of a copy upon the Watermaster, a written designation of the person to whom
2 and the address at which all future notices, determinations, requests, demands, objections,
3 reports and other papers and processes to be served upon that party or delivered to that
4 party are to be so served or delivered.

5 A later substitute designation filed and served in the same manner by any party
6 shall be effective from the date of filing as to the then future notices, determinations,
7 requests, demands, objections, reports and other papers and processes to be served upon
8 or delivered to that party.

9 Delivery to or service upon any party by the Watermaster, by any other party, or
10 by the Court, or any item required to be served upon or delivered to a party under or
11 pursuant to the Judgment may be by deposit in the mail, first class, postage prepaid,
12 addressed to the designee and at the address in the latest designation filed by that party.

13 D. Judgment Does Not Affect Rights, Powers, Etc., of Plaintiff District.

14 Nothing herein constitutes a determination or adjudication which shall foreclose
15 Plaintiff District from exercising such rights, powers, privileges and prerogatives as it
16 may now have or may hereafter have by reason of provisions of law.

17 E. Continuation of Order under Interim Agreement.

18 The order of Court made pursuant to the "Stipulation and Interim Agreement and
19 Petition for Order" shall remain in effect through the Administrative Year in which this
20 Judgment shall become final (subject to the reserved jurisdiction of the Court).

21 F. Effect of Extractions by Exchangees; Reductions in Extractions.

22 With regard to Exchange Pool purchases, the first extractions by each Exchangee
23 shall be deemed the extractions of the quantities of water which that party is entitled to
24 extract pursuant to his allocation from the Exchange Pool for that Administrative Year.
25 Each Exchangee shall be deemed to have pumped his Exchange Pool request so allocated
26 for and on behalf of each Exchangor in proportion to each Exchangor's subscription to
27 the Exchange Pool which is utilized to meet Exchange Pool requests. No Exchangor
28 shall ever be deemed to have relinquished or lost any of its rights determined in this

1 Judgment by reason of allocated subscriptions to the Exchange Pool. Each Exchangee
2 shall be responsible as between Exchangors and that Exchangee, for any tax or
3 assessment upon the production of groundwater levied for replenishment purposes by
4 WRD or by any other governmental agency with respect to water extracted by such
5 Exchangee by reason of Exchange Pool allocations and purchases. No Exchangor or
6 Exchangee shall acquire any additional rights, with respect to any party to this action, to
7 extract waters from Central Basin pursuant to Water Code Section 1005.1 by reason of
8 the obligations pursuant to and the operation of the Exchange Pool.

9 G. Judgment Binding on Successors, Etc.

10 This Judgment and all provisions thereof are applicable to and binding upon not
11 only the parties to this action, but as well to their respective heirs, executors,
12 administrators, successors, assigns, lessees, licensees and to the agents, employees and
13 attorneys in fact of any such persons.

14 H. Costs.

15 No party shall recover its costs herein as against any other party.

16 I. Intervention of Successors in Interest and New Parties.

17 Any person who is not a party (including but not limited to successors or parties
18 who are bound by this Judgment) and who proposes to produce water from the Basin,
19 store water in the Basin, or exercise water rights of a predecessor may seek to become a
20 party to this Judgment through a Stipulation in Intervention entered into with the
21 Plaintiff. Plaintiff may execute said Stipulation on behalf of the other parties herein, but
22 such Stipulation shall not preclude a party from opposing such intervention at the time of
23 the court hearing thereon. Said Stipulation for Intervention must thereupon be filed with
24 the Court, which will consider an order confirming said intervention following thirty (30)
25 days' notice to the parties. Thereafter, if approved by the Court, such intervenor shall be
26 a party bound by this Judgment and entitled to the rights and privileges accorded under
27 the physical solution herein.

28 J. Effect of this Amended Judgment on Orders Filed Herein.

AWWA Water Loss Audit Worksheet

AWWA WLCC Free Water Audit Software: Reporting Worksheet

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WAS v4.2

[Back to Instructions](#)

[?](#) Click to access definition

Water Audit Report for: **LADWP**
 Reporting Year: **2013-2014** 7/2013 - 6/2014

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: ACRE-FEET PER YEAR

WATER SUPPLIED

<< Enter grading in column 'E'

Volume from own sources:	<input type="text" value="5"/>	<input type="text" value="124,143.791"/>	acre-ft/yr
Master meter error adjustment (enter positive value):	<input type="text" value="n/a"/>	<input type="text" value=""/>	acre-ft/yr
Water imported:	<input type="text" value="10"/>	<input type="text" value="447,115.000"/>	acre-ft/yr
Water exported:	<input type="text" value="5"/>	<input type="text" value="6,000.000"/>	acre-ft/yr
WATER SUPPLIED:		<input type="text" value="565,258.791"/>	acre-ft/yr

AUTHORIZED CONSUMPTION

Billed metered:	<input type="text" value="9"/>	<input type="text" value="533,795.395"/>	acre-ft/yr
Billed unmetered:	<input type="text" value="n/a"/>	<input type="text" value=""/>	acre-ft/yr
Unbilled metered:	<input type="text" value="n/a"/>	<input type="text" value=""/>	acre-ft/yr
Unbilled unmetered:	<input type="text" value="2"/>	<input type="text" value="712.815"/>	acre-ft/yr

Click here: [?](#)
for help using option buttons below

Pcnt: Value:

Use buttons to select percentage of water supplied OR value

AUTHORIZED CONSUMPTION: acre-ft/yr

WATER LOSSES (Water Supplied - Authorized Consumption)

acre-ft/yr

Apparent Losses

Unauthorized consumption: acre-ft/yr
 Default option selected for unauthorized consumption - a grading of 5 is applied but not d

Customer metering inaccuracies:	<input type="text" value="6"/>	<input type="text" value="7,495.527"/>	acre-ft/yr
Systematic data handling errors:	<input type="text" value="8"/>	<input type="text" value="570.830"/>	acre-ft/yr

Pcnt: Value:

Choose this option to enter a percentage of billed metered consumption. This is NOT a default value

Apparent Losses:

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: acre-ft/yr

WATER LOSSES: acre-ft/yr

NON-REVENUE WATER

NON-REVENUE WATER: acre-ft/yr

= Total Water Loss + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	<input type="text" value="10"/>	<input type="text" value="7,370.0"/>	miles
Number of active AND inactive service connections:	<input type="text" value="7"/>	<input type="text" value="721,935"/>	
Connection density:		<input type="text" value="98"/>	conn./mile main
Average length of customer service line:	<input type="text" value="10"/>	<input type="text" value="0.0"/>	ft (pipe length between curbstop and customer meter or property boundary)
Average operating pressure:	<input type="text" value="5"/>	<input type="text" value="90.0"/>	psi

COST DATA

Total annual cost of operating water system:	<input type="text" value="10"/>	<input type="text" value="\$959,524,000"/>	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="text" value="9"/>	<input type="text" value="\$4.55"/>	\$/100 cubic feet (ccf)
Variable production cost (applied to Real Losses):	<input type="text" value="10"/>	<input type="text" value="\$890.00"/>	\$/acre-ft

PERFORMANCE INDICATORS

Financial Indicators

Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="5.6%"/>
Non-revenue water as percent by cost of operating system:	<input type="text" value="4.0%"/>
Annual cost of Apparent Losses:	<input type="text" value="\$18,788,187"/>
Annual cost of Real Losses:	<input type="text" value="\$18,931,259"/>

Operational Efficiency Indicators

Apparent Losses per service connection per day:	<input type="text" value="11.72"/>	gallons/connection/day
Real Losses per service connection per day*:	<input type="text" value="26.30"/>	gallons/connection/day
Real Losses per length of main per day*:	<input type="text" value="N/A"/>	
Real Losses per service connection per day per psi pressure:	<input type="text" value="0.29"/>	gallons/connection/day/psi
Unavoidable Annual Real Losses (UARL):	<input type="text" value="14,936.63"/>	acre-feet/year
From Above, Real Losses = Current Annual Real Losses (CARL):	<input type="text" value="21,271.08"/>	acre-feet/year
Infrastructure Leakage Index (ILI) [CARL/UARL]:	<input type="text" value="1.42"/>	

* only the most applicable of these two indicators will be calculated

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 80 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Volume from own sources
- 2: Water exported
- 3: Customer metering inaccuracies

[For more information, click here to see the Grading Matrix worksheet](#)

AWWA WLCC Free Water Audit Software: <u>Water Balance</u>		Water Audit Report For:		Report Yr:
Copyright © 2010, American Water Works Association. All Rights Reserved.		WAS v4.2		LADWP
				2013-2014
Own Sources (Adjusted for known errors)	Water Exported 6,000.000	Authorized Consumption 534,508.210	Billed Authorized Consumption 533,795.395	Billed Water Exported
	Water Supplied 565,258.791		Unbilled Authorized Consumption 712.815	Billed Metered Consumption (inc. water exported) 533,795.395
Water Imported 447,115.000		Water Losses 30,750.581	Apparent Losses 9,479.504	Billed Unmetered Consumption 0.000
	Unbilled Metered Consumption 0.000			Unauthorized Consumption 1,413.147
			Unbilled Unmetered Consumption 712.815	
			Customer Metering Inaccuracies 7,495.527	
			Systematic Data Handling Errors 570.830	
			Leakage on Transmission and/or Distribution Mains Not broken down	
		Real Losses 21,271.077	Leakage and Overflows at Utility's Storage Tanks Not broken down	
			Leakage on Service Connections Not broken down	
				31,463.396

CUWCC Biennial Reports



CUWCC BMP Retail Coverage Report 2014

Foundational Best Management Practices for Urban Water Efficiency

BMP 1.1 Operation Practices

ON TRACK

152 Los Angeles Dept. of Water and Power

1. Conservation Coordinator provided with necessary resources to implement BMPs?

Name: Penny Falcon
 Title: Conservation Policy, Legislation & Grants Manager
 Email: penny.falcon@ladwp.com

2. Water Waste Prevention Documents

WW Document Name	WWP File Name	WW Prevention URL	WW Prevention Ordinance Terms Description
Option A Describe the ordinances or terms of service adopted by your agency to meet the water waste prevention requirements of this BMP.	Revised Water Conservation Ordinance 2010.pdf		ORDINANCE NO. 181288 - An ordinance amending Chapter XII, Article I of the Los Angeles Municipal Code to clarify prohibited uses and modify certain water conservation requirements of the Water Conservation Plan of the City of Los Angeles.
Option B Describe any water waste prevention ordinances or requirements adopted by your local jurisdiction or regulatory agencies within your service area.			
Option C Describe any documentation of support for legislation or regulations that prohibit water waste.			
Option D Describe your agency efforts to cooperate with other entities in the adoption or enforcement of local requirements consistent with this BMP.			
Option E Describe your agency support positions with respect to adoption of legislation or regulations that are consistent with this BMP.			
Option F Describe your agency efforts to support local ordinances that establish permits requirements for water efficient design in new development.			

At Least As effective As

No



CUWCC BMP Retail Coverage Report 2014
Foundational Best Management Practices for Urban Water Efficiency

BMP 1.1 Operation Practices

ON TRACK

Exemption

Comments:



CUWCC BMP Coverage Report 2014

Foundational Best Management Practices For Urban Water Efficiency

BMP 1.2 Water Loss Control

ON TRACK

152 Los Angeles Dept. of Water and Power

Completed Standard Water Audit Using AWWA Software?	Yes
AWWA File provided to CUWCC?	Yes
LADWP_AWWA Water Balance _ FY13-14 Final.xls	
AWWA Water Audit Validity Score?	80
Complete Training in AWWA Audit Method	Yes
Complete Training in Component Analysis Process?	Yes
Component Analysis?	Yes
Repaired all leaks and breaks to the extent cost effective?	Yes
Locate and Repair unreported leaks to the extent cost effective?	Yes
Maintain a record keeping system for the repair of reported leaks, including time of report, leak location, type of leaking pipe segment or fitting, and leak running time from report to repair.	Yes

Provided 7 Types of Water Loss Control Info

Leaks Repairs	Value Real Losses	Value Apparent Losses	Miles Surveyed	Press Reduction	Cost Of Interventions	Water Saved (AF)
2773	890	890	0	False	34694100	

At Least As effective As

No

Exemption

No

Comments:



CUWCC BMP Coverage Report 2014

Foundational Best Management Practices For Urban Water Efficiency

BMP 1.3 Metering With Commodity

ON TRACK

152 Los Angeles Dept. of Water and Power

Numbered Unmetered Accounts	No
Metered Accounts billed by volume of use	Yes
Number of CII Accounts with Mixed Use Meters	77638
Conducted a feasibility study to assess merits of a program to provide incentives to switch mixed-use accounts to dedicated landscape meters?	Yes
Feasibility Study provided to CUWCC?	Yes
Date:	12/20/2013
Uploaded file name:	
Completed a written plan, policy or program to test, repair and replace meters	Yes
At Least As effective As	<input type="text" value="No"/>
Exemption	<input type="text" value="No"/>
Comments:	



CUWCC BMP Coverage Report 2014

Foundational Best Management Practices For Urban Water Efficiency

BMP 1.4 Retail Conservation Pricing

On Track

152 Los Angeles Dept. of Water and Power

Implementation (Water Rate Structure)

Customer Class	Water Rate Type	Conserving Rate?	(V) Total Revenue Commodity Charges	(M) Total Revenue Fixed Carges
Single-Family	Increasing Block	Yes	441899553.54	0
Multi-Family	Increasing Block	Yes	327022644.21	5146192.36
Commercial	Increasing Block	Yes	193481186.8	11671382.07
Industrial	Increasing Block	Yes	37681520.11	1925693.97
Institutional	Increasing Block	Yes	45869329.64	1926141.13
Dedicated Irrigation	Increasing Block	Yes	10838338.82	0
			1056792573.12	20669409.53

Calculate: V / (V + M) 98 %

Implementation Option: Use Annual Revenue As Reported

Use 3 years average instead of most recent year

Canadian Water and Wastewater Association

Upload file:

Agency Provide Sewer Service: No

At Least As effective As

Exemption

Comments:



CUWCC BMP Coverage Report 2014

Foundational Best Management Practices For Urban Water Efficiency

BMP 2.1 Public Outreach

ON TRACK

152 Los Angeles Dept. of Water and Power

Retail

Does your agency perform Public Outreach programs? **Yes**

The list of wholesale agencies performing public outreach which can be counted to help the agency comply with the BMP

Metropolitan Water District of SC
Metropolitan Water District of SC

The name of agency, contact name and email address if not CUWCC Group 1 members

Did at least one contact take place during each quarter of the reporting year? **Yes**

Public Outreach Program List	Number
Newsletter articles on conservation	10
Flyers and/or brochures (total copies), bill stuffers, messages printed on bill, information packets	10000
Landscape water conservation media campaigns	10000
Website	62369
Total	82379

Did at least one contact take place during each quarter of the reporting year? **Yes**

Number Media Contacts	Number
Articles or stories resulting from outreach	1600
News releases	14
Newspaper contacts	600
Radio contacts	500
Television contacts	500
Total	3214

Did at least one website update take place during each quarter of the reporting year? **Yes**

Public Information Program Annual Budget

Annual Budget Category	Annual Budget Amount
Full Outreach Budget	2000000
Total Amount:	2000000

Public Outreach Additional Programs

Public events/booth staffing (147 events with 30,000 people reached, 10,000 units of collateral material distributed)

Description of all other Public Outreach programs



CUWCC BMP Coverage Report 2014

Foundational Best Management Practices For Urban Water Efficiency

BMP 2.1 Public Outreach

ON TRACK

Comments:

At Least As effective As

Exemption



CUWCC BMP Coverage Report 2014

Foundational Best Management Practices For Urban Water Efficiency

BMP 2.2 School Education Programs

ON TRACK

152 Los Angeles Dept. of Water and Power

Retail

Does your agency implement School Education programs? Yes

The list of wholesale agencies performing public outreach which can be counted to help the agency comply with the BMP

Metropolitan Water District of SC

Materials meet state education framework requirements? Yes

Guidebook, conservation literature with lessons on water saving.

Materials distributed to K-6? Yes

Teacher received a 60-page lesson package that included lessons on water supply sources, outdoor conservaiton practives as well as a home and school water conservation survey questionnaire.

Materials distributed to 7-12 students? Yes (Info Only)

Teacher received a 60-page lesson package that included lessons on water supply sources, outdoor conservaiton practives as well as a home and school water conservation survey questionnaire.

Annual budget for school education program: 500000.00

Description of all other water supplier education programs

Live Theatre performances called Thirsty City and Thirsty City Jr., includes K-3 and 4-6 age specific water conservation information.

Comments:

At Least As effective As No

Exemption No 0



CUWCC BMP Coverage Report 2014

152 Los Angeles Dept. of Water and Power

GPCD in 2006: 153.24

GPCD in 2014 127.7

GPCD Target for 2018: 125.70

Biennial GPCD Compliance Table

ON TRACK

Year	Report	Target		Highest Acceptable Bound	
		% Base	GPCD	% Base	GPCD
2010	1	96.4%	147.70	100%	153.20
2012	2	92.8%	142.20	96.4%	147.70
2014	3	89.2%	136.70	92.8%	142.20
2016	4	85.6%	131.20	89.2%	136.70
2018	5	82.0%	125.70	82.0%	125.70



CUWCC BMP Retail Coverage Report 2013

Foundational Best Management Practices for Urban Water Efficiency

BMP 1.1 Operation Practices

ON TRACK

152 Los Angeles Dept. of Water and Power

1. Conservation Coordinator provided with necessary resources to implement BMPs?

Name:

Title:

Email:

2. Water Waste Prevention Documents

WW Document Name	WWP File Name	WW Prevention URL	WW Prevention Ordinance Terms Description
Option A Describe the ordinances or terms of service adopted by your agency to meet the water waste prevention requirements of this BMP.	Revised Water Conservation Ordinance 2010.pdf		
Option B Describe any water waste prevention ordinances or requirements adopted by your local jurisdiction or regulatory agencies within your service area.			
Option C Describe any documentation of support for legislation or regulations that prohibit water waste.			
Option D Describe your agency efforts to cooperate with other entities in the adoption or enforcement of local requirements consistent with this BMP.			
Option E Describe your agency support positions with respect to adoption of legislation or regulations that are consistent with this BMP.			
Option F Describe your agency efforts to support local ordinances that establish permits requirements for water efficient design in new development.			

At Least As effective As

Exemption

Comments:



CUWCC BMP Retail Coverage Report 2013
Foundational Best Management Practices for Urban Water Efficiency

BMP 1.1 Operation Practices

ON TRACK



CUWCC BMP Coverage Report 2013

Foundational Best Management Practices For Urban Water Efficiency

BMP 1.2 Water Loss Control

ON TRACK

152 Los Angeles Dept. of Water and Power

Completed Standard Water Audit Using AWWA Software?	Yes
AWWA File provided to CUWCC?	Yes
Copy_of_LADWP_AWWA_Water_Balance___FY12-13_Final.xls	
AWWA Water Audit Validity Score?	80
Complete Training in AWWA Audit Method	Yes
Complete Training in Component Analysis Process?	Yes
Component Analysis?	Yes
Repaired all leaks and breaks to the extent cost effective?	Yes
Locate and Repair unreported leaks to the extent cost effective?	Yes
Maintain a record keeping system for the repair of reported leaks, including time of report, leak location, type of leaking pipe segment or fitting, and leak running time from report to repair.	Yes

Provided 7 Types of Water Loss Control Info

Leaks Repairs	Value Real Losses	Value Apparent Losses	Miles Surveyed	Press Reduction	Cost Of Interventions	Water Saved (AF)
2749	847	847	0	False	39100400	

At Least As effective As

No

Exemption

No

Comments:



CUWCC BMP Coverage Report 2013

Foundational Best Management Practices For Urban Water Efficiency

BMP 1.3 Metering With Commodity

ON TRACK

152 Los Angeles Dept. of Water and Power

Numbered Unmetered Accounts	No
Metered Accounts billed by volume of use	Yes
Number of CII Accounts with Mixed Use Meters	80142
Conducted a feasibility study to assess merits of a program to provide incentives to switch mixed-use accounts to dedicated landscape meters?	Yes
Feasibility Study provided to CUWCC?	Yes
Date:	12/20/2013
Uploaded file name:	
Completed a written plan, policy or program to test, repair and replace meters	Yes
At Least As effective As	<input type="text" value="No"/>
Exemption	<input type="text" value="No"/>
Comments:	



CUWCC BMP Coverage Report 2013

Foundational Best Management Practices For Urban Water Efficiency

BMP 1.4 Retail Conservation Pricing

On Track

152 Los Angeles Dept. of Water and Power

Implementation (Water Rate Structure)

Customer Class	Water Rate Type	Conserving Rate?	(V) Total Revenue Commodity Charges	(M) Total Revenue Fixed Carges
Single-Family	Increasing Block	Yes	386024482.6	0
Multi-Family	Increasing Block	Yes	287690533.1	5241996.94
Commercial	Increasing Block	Yes	168262963.5	11633894.51
Industrial	Increasing Block	Yes	29393150.59	1993578.57
Institutional	Increasing Block	Yes	41368242.29	1910918.65
Dedicated Irrigation	Increasing Block	Yes	11541242.37	0
			924280614.45	20780388.67

Calculate: V / (V + M) 98 %

Implementation Option: Use Annual Revenue As Reported

Use 3 years average instead of most recent year

Canadian Water and Wastewater Association

Upload file:

Agency Provide Sewer Service: No

At Least As effective As

Exemption

Comments:



CUWCC BMP Coverage Report 2013

Foundational Best Management Practices For Urban Water Efficiency

BMP 2.1 Public Outreach

ON TRACK

152 Los Angeles Dept. of Water and Power

Retail

Does your agency perform Public Outreach programs? **Yes**

The list of wholesale agencies performing public outreach which can be counted to help the agency comply with the BMP

Metropolitan Water District of SC	
Metropolitan Water District of SC	
Agency Name	ID number
Metropolitan Water District of SC	161

The name of agency, contact name and email address if not CUWCC Group 1 members

Did at least one contact take place during each quarter of the reporting year? **Yes**

Public Outreach Program List	Number
Newsletter articles on conservation	5
Flyers and/or brochures (total copies), bill stuffers, messages printed on bill, information packets	485000
Landscape water conservation media campaigns	5000
Website	20502
Total	510507

Did at least one contact take place during each quarter of the reporting year? **No**

Number Media Contacts	Number
Articles or stories resulting from outreach	900
News releases	6
Newspaper contacts	300
Radio contacts	300
Television contacts	300
Total	1806

Did at least one website update take place during each quarter of the reporting year? **Yes**

Public Information Program Annual Budget

Annual Budget Category	Annual Budget Amount
Full Budget for Outreach	2000000
Total Amount:	2000000

Public Outreach Additional Programs

Public events/booth staffing (68 events with 13,500 people reached, 5000 units of collateral material distributed)



CUWCC BMP Coverage Report 2013

Foundational Best Management Practices For Urban Water Efficiency

BMP 2.1 Public Outreach

ON TRACK

Description of all other Public Outreach programs

Comments:

At Least As effective As

Exemption



BMP 2.2 School Education Programs

ON TRACK

152 Los Angeles Dept. of Water and Power

Retail

Does your agency implement School Education programs? Yes

The list of wholesale agencies performing public outreach which can be counted to help the agency comply with the BMP

Metropolitan Water District of SC

Materials meet state education framework requirements? Yes

Guidebook, conservation literature with lessons on water saving.

Materials distributed to K-6? Yes

Teacher received a 60-page lesson package that included lessons on water supply sources, outdoor conservaiton practives as well as a home and school water conservation survey questionnaire.

Materials distributed to 7-12 students? Yes (Info Only)

Teacher received a 60-page lesson package that included lessons on water supply sources, outdoor conservaiton practives as well as a home and school water conservation survey questionnaire.

Annual budget for school education program: 500000.00

Description of all other water supplier education programs

Live Theatre performances called Thirsty City and Thirsty City Jr., includes K-3 and 4-6 age specific water conservation information.

Comments:

At Least As effective As No

Exemption No 0

Emergency Water Conservation Plan

ORDINANCE NO. 184250

An ordinance amending Article I of Chapter XII of the Los Angeles Municipal Code to clarify prohibited uses and modify certain water conservation requirements of the Water Conservation Plan of the City of Los Angeles.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Article I of Chapter XII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

ARTICLE I

EMERGENCY WATER CONSERVATION PLAN

SEC. 121.00. SCOPE AND TITLE.

This Article shall be known as The Emergency Water Conservation Plan of the City of Los Angeles.

SEC. 121.01. DECLARATION OF POLICY.

It is hereby declared that because of the conditions prevailing in the City of Los Angeles and in the areas of this State and elsewhere from which the City obtains its water supplies, the general welfare requires that the water resources available to the City be put to the maximum beneficial use to the extent to which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interests of the people of the City and for the public welfare.

SEC. 121.02. DECLARATION OF PURPOSE.

The purpose of this Article is to provide a mandatory water conservation plan to minimize the effect of a shortage of water to the Customers of the City and, by means of this Article, to adopt provisions that will significantly reduce the consumption of water over an extended period of time, thereby extending the available water required for the Customers of the City while reducing the hardship of the City and the general public to the greatest extent possible, voluntary conservation efforts having proved to be insufficient.

SEC. 121.03. DEFINITIONS.

The following words and phrases, whenever used in this Article, shall be construed as defined in this section unless from the context a different meaning is intended or unless a different meaning is specifically defined within individual sections of this Article:

- a. **"Article"** means the ordinance providing for **"The Emergency Water Conservation Plan of the City of Los Angeles."**
- b. **"Baseline Water Usage"** means the amount of water necessary for existing landscape based on a water budget developed by the Department.
- c. **"Billing Unit"** means the unit amount of water used to apply water rates for purposes of calculating commodity charges for Customer water usage and equals one hundred (100) cubic feet or seven hundred forty-eight (748) gallons of water.
- d. **"City"** means the City of Los Angeles.
- e. **"City Council"** means the Council of the City of Los Angeles.
- f. **"Conservation Phase"** means that level of mandatory water conservation presently required from Customers pursuant to this Article.
- g. **"Customer"** means any person, persons, association, corporation or governmental agency supplied or entitled to be supplied with water service by the Department.
- h. **"Department"** means the Los Angeles Department of Water and Power.
- i. **"Drip Irrigation"** means an efficient and targeted form of irrigation in which water is delivered in drops directly to the plants roots where no emitter produces more than four (4) gallons of water per hour.
- j. **"Even-numbered"** means street addresses ending with the following numerals: 0 (Zero), 2 (Two), 4 (Four), 6 (Six), 8 (Eight). Street addresses ending in $\frac{1}{2}$ or any fraction shall conform to the permitted uses for the last whole number in the address.
- k. **"Gray Water"** means a Customer's second or subsequent use of water supplied by the Department on the Customer's premises, such as the use of laundry or bathing water for other purposes.

l. **“Irrigate”** means any exterior application of water, other than for firefighting purposes, dust control, or as process water, including, but not limited to, the watering of any vegetation whether it be natural or planted.

m. **“Large Landscape Area”** means an area of vegetation at least three acres in size supporting a business necessity or public benefit uses such as parks, golf courses, schools and cemeteries.

n. **“Mayor”** means the Mayor of the City of Los Angeles

o. **“Notice to the Department”** means written communication documenting compliance with all requirements and directed to the Department.

p. **“Odd-numbered”** means street addresses ending with the following numerals: 1 (One), 3 (Three), 5 (Five), 7 (Seven), 9 (Nine). Street addresses ending in ½ or any fraction shall conform to the permitted uses for the last whole number in the address.

q. **“Officer”** means every person designated in Section 200 of the Los Angeles City Charter as an officer of the City of Los Angeles.

r. **“Potable Water”** means water supplied by the Department which is suitable for drinking and excludes recycled water from any source.

s. **“Private Golf Course”** means a facility with a business license where play is restricted to members and their guests, and does not include personal use facilities such as backyard golf greens or courses.

t. **“Process Water”** means water used to manufacture, alter, convert, clean, heat or cool a product, or the equipment used for such purpose; water used for plant and equipment washing and for transporting of raw materials and products; and water used for community gardens, or to grow trees, plants, or turf for sale or installation.

u. **“Recycled Water”** means water which, as a result of treatment of wastewater, is suitable for a direct beneficial use or a controlled use as approved by the California Department of Public Health.

v. **“Section”** means a section of this Article unless some other ordinance or statute is specifically mentioned.

w. **“Single-Family Residential Customer”** means a customer who is currently subject to Rate Schedule A of the LADWP water rate ordinance.

x. **“Single Pass Cooling Systems”** means equipment where water is circulated only once to cool equipment before being disposed.

y. **“Sports Field”** means a public or private facility supporting a business necessity or public benefit use that provides turf areas as a playing surface for individual and team sports, and does not include a facility on a residential property.

z. **“Station”** means those sprinklers or other water-emitting devices controlled by a single valve.

SEC. 121.04. AUTHORIZATION.

The various officers, boards, departments, bureaus and agencies of the City are hereby authorized and directed to immediately implement the applicable provisions of this Article upon the effective date hereof.

SEC. 121.05. APPLICATION.

The provisions of this Article shall apply to all Customers and property served by the Department wherever situated, and shall also apply to all property and facilities owned, maintained, operated or under the jurisdiction of the various officers, boards, departments, bureaus or agencies of the City.

SEC. 121.06. WATER CONSERVATION PHASES.

A. No Customer of the Department shall make, cause, use or permit the use of water from the Department for any residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Article. The waste or unreasonable use of water is prohibited.

B. For the purposes of this Article, a use of water by a tenant or by an employee, agent, contractor or other acting on behalf of a Customer whether with real or ostensible authority shall be imputed to the Customer. Nothing contained in this Article shall limit the remedies available to a Customer under law or equity for the actions of a tenant, agent, contractor or other acting on behalf of a Customer.

SEC. 121.07. CONSERVATION PHASE IMPLEMENTATION.

A. Notwithstanding any other provisions of this Article, the provisions of Section 121.08A shall take effect immediately upon the effective date of this Article, shall be permanent, and shall not be subject to termination pursuant to the provisions of this Article providing for the termination of a conservation phase.

B. The Department shall monitor and evaluate the projected supply and demand for water by its Customers monthly, and shall recommend to the Mayor and Council by concurrent written notice the extent of the conservation required by the Customers of the Department in order for the Department to prudently plan for and supply water to its Customers. The Mayor shall, in turn, independently evaluate such

recommendation and notify the Council of the Mayor's determination as to the particular phase of water conservation, Phase II through Phase VI, that should be implemented. Thereafter, the Mayor may, with the concurrence of the Council, order that the appropriate phase of water conservation be implemented in accordance with the applicable provisions of this Article. Said order shall be made by public proclamation and shall be published one time only in a daily newspaper of general circulation and shall become effective immediately upon such publication. The prohibited water uses for each phase shall take effect with the first full billing period commencing on or after the effective date of the public proclamation by the Mayor.

In the event the Mayor independently recommends to the Council a phase of conservation different from that recommended by the Department, the Mayor shall include detailed supporting data and the reasons for the independent recommendation in the notification to the Council of the Mayor's determination as to the appropriate phase of conservation to be implemented.

C. Phase Termination.

1. At such time as the Department reports an April 1 forecast of annual Owens Valley and Mono Basin Runoff equal to or exceeding 110 percent of normal and the Metropolitan Water District of Southern California officially states that the sum of its Colorado River and State Water Project supplies exceeds 100 percent of projected demand, the Mayor shall forthwith recommend to the Council the termination of any Customer curtailment phase then in effect. Said recommendation to terminate shall take effect upon concurrence of the Council.

2. The provisions of Subsection C1, above, shall not preclude the Department on the basis of information available to it from recommending to the Mayor the termination of a water conservation phase then in effect. The Mayor shall forward said recommendation to the Council, and it shall take effect upon concurrence by the Council.

SEC. 121.08. WATER CONSERVATION PHASES.

A. PHASE I – Prohibited Uses Applicable to All Customers.

1. No Customer of the Department shall use a water hose to wash any paved surfaces, including, but not limited to, sidewalks, walkways, driveways and parking areas, except to alleviate immediate safety or sanitation hazards. This section shall not apply to Department-approved water-conserving spray cleaning devices. Use of water-pressure devices for graffiti removal is exempt. A simple spray nozzle does not qualify as a water-conserving spray cleaning device.

2. No Customer of the Department shall use water to clean, fill or maintain levels in decorative fountains, ponds, lakes or similar structures used for aesthetic purposes unless such water is part of a recirculating system.
3. No restaurant, hotel, café, cafeteria, or other public place where food is sold, served or offered for-sale, shall serve drinking water to any person unless expressly requested.
4. No Customer of the Department shall permit water to leak from any pipe or fixture on the Customer's premises. Failure or refusal to affect a timely repair of any leak of which the Customer knows or has reason to know shall subject said Customer to all penalties provided herein for a prohibited use of water.
5. No Customer of the Department shall wash a vehicle with a hose if the hose does not have a self-closing water shut-off or device attached to it, or otherwise allow a hose to run continuously while washing a vehicle.
6. No Customer of the Department shall irrigate during periods of rain and within 48 hours after a measurable rain event.
7. No Customer of the Department shall water or irrigate lawn, landscape or other vegetated areas between the hours of 9:00 a.m. and 4:00 p.m. During these hours, public and private golf course greens and tees and professional Sports Fields may be irrigated in order to maintain play areas and accommodate event schedules. Supervised testing or repairing of irrigation systems is allowed anytime with proper signage.
8. All irrigating of landscape with potable water using spray head sprinklers and bubblers shall be limited to no more than ten (10) minutes per watering day per station. All irrigating of landscape with potable water using standard rotors and multi-stream rotary heads shall be limited to no more than fifteen (15) minutes per cycle and up to two (2) cycles per watering day per station. Exempt from these landscape irrigation restrictions are irrigation systems using very low-flow drip-type irrigation when no emitter produces more than four (4) gallons of water per hour and micro-sprinklers using less than fourteen (14) gallons per hour.
9. No Customer of the Department shall use water in a manner that causes or allows excess or continuous water flow or runoff onto an adjoining sidewalk, driveway, street, gutter or ditch.
10. No installation of single pass cooling systems shall be permitted in buildings requesting new water service.

11. No installation of non-recirculating systems shall be permitted in new conveyor car wash and new commercial laundry systems.

12. Operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each bathroom using clear and easily understood language. The Department shall make suitable displays available.

13. No Large Landscape Areas shall have irrigation systems without rain sensors that shut off the irrigation systems. Large Landscape Areas with approved weather-based irrigation controllers registered with the Department are in compliance with this requirement.

B. PHASE II

1. **Prohibited Uses Applicable to All Customers.** Should Phase II be implemented, uses applicable to Phase I of this section shall continue to be applicable, except as specifically provided below.

2. **Non-Watering Days.** No landscape irrigation shall be permitted on any day other than Monday, Wednesday or Friday for odd-numbered street addresses, and Tuesday, Thursday or Sunday for even-numbered street addresses. Street addresses ending in $\frac{1}{2}$ or any fraction shall conform to the permitted uses for the last whole number in the address. Watering times shall be limited to:

(a) Non-conserving nozzles (spray head sprinklers and bubblers) – no more than eight (8) minutes per watering day per station for a total of 24 minutes per week.

(b) Conserving nozzles (standard rotors and multi-stream rotary heads) – no more than fifteen (15) minutes per cycle and up to two (2) cycles per watering day per station for a total of 90 minutes per week.

(With the above watering times, water consumption used for both types of nozzles is essentially equal.)

3. Upon written Notice to the Department, irrigation of Sports Fields may deviate from the non-watering days to maintain play areas and accommodate event schedules; however, to be eligible for this means of compliance, a Customer must reduce their overall monthly water use by the Department's Board of Water and Power Commissioners (Board)-adopted degree of shortage plus an additional five percent from the Customer Baseline Water Usage within 30 days.

4. Upon written Notice to the Department, Large Landscape Areas may deviate from the non-watering days by meeting the following requirements: 1) must have approved weather-based irrigation controllers registered with the Department (eligible weather-based irrigation controllers are those approved by the Metropolitan Water District of Southern California or the Irrigation Association Smart Water Application Technologies [SWAT] initiative); 2) must reduce overall monthly water use by the Department's Board-adopted degree of shortage plus an additional five percent from the Customer Baseline Water Usage within 30 days; and 3) must use recycled water if it is available from the Department.

5. These provisions do not apply to drip irrigation supplying water to a food source or to hand-held hose watering of vegetation, if the hose is equipped with a self-closing water shut-off device, which is allowed everyday during Phase II except between the hours of 9:00 am and 4:00 pm.

C. PHASE III

1. **Prohibited Uses Applicable to All Customers.** Should Phase III be implemented, uses applicable to Phases I and II of this section shall continue to be applicable, except as specifically provided below.

2. **Non-Watering Days.** No landscape irrigation shall be permitted on any day other than Monday or Friday for odd-numbered street addresses, and Sunday or Thursday for even-numbered street addresses. Street addresses ending in $\frac{1}{2}$ or any fraction shall conform to the permitted uses for the last whole number in the address. Watering times shall be limited to:

(a) Non-conserving nozzles (spray head sprinklers and bubblers) – no more than eight (8) minutes per watering day per station for a total of 16 minutes per week.

(b) Conserving nozzles (standard rotors and multi-stream rotary heads) – no more than fifteen (15) minutes per cycle and up to two (2) cycles per watering day per station for a total of 60 minutes per week.

(With the above watering times, water consumption used for both types of nozzles is essentially equal.)

3. Recommend use of pool covers to decrease water loss from evaporation.

4. Recommend washing of vehicles at commercial car wash facilities.

5. Upon written Notice to the Department, irrigation of Sports Fields may deviate from the non-watering days to maintain play areas and accommodate event schedules; however, to be eligible for this means of

compliance, a Customer must reduce their overall monthly water use by the Department's Board-adopted degree of shortage plus an additional five percent from the Customer Baseline Water Usage within 30 days.

6. Upon written Notice to the Department, Large Landscape Areas may deviate from the non-watering days by meeting the following requirements: 1) must have approved weather-based irrigation controllers registered with the Department (eligible weather-based irrigation controllers are those approved by the Metropolitan Water District of Southern California or the Irrigation Association Smart Water Application Technologies [SWAT] initiative); 2) must reduce overall monthly water use by the Department's Board-adopted degree of shortage plus an additional five percent from the Customer Baseline Water Usage within 30 days; and 3) must use recycled water if it is available from the Department.

7. These provisions do not apply to drip irrigation supplying water to a food source or to hand-held hose watering of vegetation, if the hose is equipped with a self-closing water shut-off device, which is allowed every day during Phase III except between the hours of 9:00 am and 4:00 pm.

D. PHASE IV

1. **Prohibited Uses Applicable to All Customers.** Should Phase IV be implemented, uses applicable to Phase I, II, and III of this Section shall continue to be applicable, except as specifically provided below.

2. **Non-Watering Days.** No landscape irrigation shall be permitted on any day other than Monday for odd-numbered street addresses and Tuesday for even-numbered street addresses. Street addresses ending in ½ or any fraction shall conform to the permitted uses for the last whole number in the address. Watering times shall be limited to:

(a) Non-conserving nozzles (spray head sprinklers and bubblers) – no more than eight (8) minutes per watering day per station for a total of 8 minutes per week.

(b) Conserving nozzles (standard rotors and multi-stream rotary heads) – no more than fifteen (15) minutes per cycle and up to two (2) cycles per watering day per station for a total of 30 minutes per week.

3. Mandate use of pool covers on all residential swimming pools when not in use.

4. No washing of vehicles allowed except at commercial car wash facilities.

5. No filling of decorative fountains, ponds, lakes, or similar structures used for aesthetic purposes, with potable water.

6. Upon written Notice to the Department, irrigation of Sports Fields may deviate from the specific non-watering days. To be eligible for this means of compliance, a Customer must reduce overall monthly water use by the Department's Board-adopted degree of shortage plus an additional ten percent from the Customer Baseline Water Usage within 30 days.

7. Upon written Notice to the Department, Large Landscape Areas may deviate from the specific non-watering days by meeting the following requirements: 1) must have approved weather-based irrigation controllers registered with the Department (eligible weather-based irrigation controllers are those approved by the Metropolitan Water District of Southern California or the Irrigation Association Smart Water Application Technologies [SWAT] initiative); 2) must reduce overall monthly water use by the Department's Board-adopted degree of shortage plus an additional ten percent from the Customer Baseline Water Usage within 30 days; and 3) must use recycled water if it is available from the Department.

8. These provisions do not apply to drip irrigation supplying water to a food source or to hand-held hose watering of vegetation, if the hose is equipped with a self-closing water shut-off device, which is allowed everyday during Phase IV except between the hours of 9:00 a.m. and 4:00 p.m.

E. PHASE V

1. **Prohibited Uses Applicable to All Customers.** Should Phase V be implemented, uses applicable to Phases I, II, III and IV of this section shall continue to be applicable, except as specifically provided below.

2. **Non-Watering Days.** No landscape irrigation allowed.

3. No filling of residential swimming pools and spas with potable water.

4. Upon written notice to the Department, golf courses and professional Sports Fields may apply water to sensitive areas, such as greens and tees, during non-daylight hours and only to the extent necessary to maintain minimum levels of biological viability.

F. PHASE VI

1. **Prohibited Uses Applicable to All Customers.** Phases I, II, III, IV and V of Section 121.08 shall continue to remain in effect.

2. **Additional Prohibited Uses.** The Board is hereby authorized to implement additional prohibited uses of water based on the water supply situation. Any additional prohibition shall be published at least once in a daily newspaper of general circulation and shall become effective immediately upon such publication and shall remain in effect until cancelled.

3. **Penalty Authority.** The Board is hereby authorized to establish appropriate penalties for this phase.

G. **EXCEPTION.** The prohibited uses of water provided for by Subsections A, B, C, D, E and F of this section are not applicable to the uses of water necessary for public health and safety, or for essential government services such as police, fire and other similar emergency services.

H. **VARIANCE.** If, due to unique circumstances, a specific requirement of this Section would result in undue hardship to a Customer using water or to property upon which water is used, that is disproportionate to the impacts to water users generally or to similar property or classes of water uses, then the Customer may apply for a variance from the requirements. Unique circumstances include, but are not limited to, physical disabilities which prevent compliance with the Water Conservation Plan. The Department shall adopt procedures for variance applications, review and decision.

SEC. 121.09. UNREASONABLE USE OF WATER.

It shall be unlawful for any Customer to waste, or engage in the unreasonable use of water. If any Single Family Residential Customer enters the Department's highest rate tier during Phase II-VI, that Customer may be subject to a Water Use Analysis performed by the Department. Department will use available resources, including, but not limited to, water consumption history, land use data, and aerial photographs, to analyze the reasonableness of a Customer's water use.

A. **Notification.** Department may issue a notification to a Customer requesting access to the property for purposes of completing a Water Use Analysis. Within thirty (30) days following written notification by the Department, to the Customer's billing address, the Customer shall provide the Department reasonable access to the property for purposes of completing a Water Use Analysis and for verifying compliance with any existing Customer Conservation Plan.

B. **Cooperation.** Customer, or his designated representative, shall be present and fully cooperate with the Department in the Water Use Analysis, including, but not limited to, providing water use information relating to landscaping, agriculture, fixtures, ponds, cooling towers and other water features and uses located on the property.

C. **Customer Conservation Plan.** Upon completion of the Water Use Analysis, Department may prepare a Customer Conservation Plan that includes an

evaluation of all water uses on the property, directions to reduce waste and unreasonable use of water, and a water budget based on the reasonable use of water on the property. Department will discuss with the Customer the findings of the Water Use Analysis and explain the Customer Conservation Plan.

D. The Department shall adopt criteria and process for implementing the Water Use Analysis. When possible the Department will use approved industry standards and methodologies to calculate indoor and outdoor water use.

E. Customer shall comply with all terms of the Department's Customer Conservation Plan, including any water budget provided by Department, and failure to comply shall be deemed an unreasonable use of water that is a threat to public health, safety and welfare and is deemed a nuisance pursuant to Government Code § 38771.

F. **Violation.** Customer failure to (1) provide reasonable access to property following notice, (2) cooperate with Department in the development of a Customer Conservation Plan, or (3) comply with Customer Conservation Plan shall be deemed a new violation of this section, and shall be noticed by the Department by written citation. Violation of this section shall subject Customer to penalties as described in Section 121.10(A)(3).

SEC. 121.10. FAILURE TO COMPLY.

A. **Penalties.** It shall be unlawful for any Customer of the Department to fail to comply with any of the provisions of this Article. Notwithstanding any other provision of the Los Angeles Municipal Code, the penalties set forth herein shall be exclusive and not cumulative with any other provisions of this Code. The penalties for failure to comply with any of the provisions of this Article shall be as follows:

1. Violations of any of the provisions of Subsection A, B, C, D, E, and F of Section 121.08 during the preceding twelve (12) calendar months, shall result in imposition of an administrative civil penalty pursuant to Penalty Schedule A and shall be included on the Customer's regular water bill issued by the Department.

Penalty Schedule A

Water meter smaller than two (2") inches						
	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
1st Written Warning	\$0	\$0	\$0	\$0	\$0	Board Authority
2nd Written Violation	\$50	\$100	\$200	\$300	\$400	Board Authority
3rd Written Violation	\$100	\$200	\$400	\$600	\$800	Board Authority
4th Written Violation	\$150	\$300	\$600	\$900	\$1200	Board Authority

Water meter two (2") inches and larger						
	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
1st Written Warning	\$0	\$0	\$0	\$0	\$0	Board Authority
2nd Written Violation	\$100	\$200	\$400	\$600	\$800	Board Authority
3rd Written Violation	\$200	\$400	\$800	\$1200	\$1600	Board Authority
4th Written Violation	\$300	\$600	\$1200	\$1800	\$2400	Board Authority

(a) After a fifth or subsequent violation, the Department may install a flow-restricting device of one-gallon-per-minute (1 GPM) capacity for services up to one and one-half inch (1-1/2") size and comparatively sized restrictors for larger services or terminate a Customer's service, in addition to the financial surcharges provided for herein. Such action shall be taken only after a hearing held by the Department where the Customer has an opportunity to respond to the Department's information or evidence that the Customer has repeatedly violated this Article or Department rules regarding the conservation of water and that such action is reasonably necessary to assure compliance with this Article and Department rules regarding the conservation of water.

Any such restricted or terminated service may be restored upon application of the Customer made not less than 48 hours after the implementation of the action restricting or terminating service and only upon a showing by the Customer that the Customer is ready, willing and able to comply with the provisions of this Article and Department rules regarding the conservation of water. Prior to any restoration of service, the Customer shall pay all Department charges for any restriction or termination of service and its restoration as provided for in the

Department's rules governing water service, including, but not limited to, payment of all past due bills and fines.

2. Violations of Section 121.09 shall result in imposition of administrative civil penalties pursuant to Penalty Schedule B and shall be included on the Customer's regular water bill issued by the Department:

Penalty Schedule B

Number of Consecutive Months with Violation	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
Violation during months 1-5	N/A	\$1,000	\$2,000	\$5,000	\$10,000	Board Authority
Violation during months 6-11	N/A	\$2,000	\$4,000	\$10,000	\$20,000	Board Authority
Violation during months 12-17	N/A	\$3,000	\$6,000	\$15,000	\$30,000	Board Authority
Violation during months 18-23	N/A	\$4,000	\$8,000	\$20,000	\$40,000	Board Authority

(a) Customers continuing to violate Section 121.09 beyond 24 months will be referred to the Board for consideration of flow restrictors or other actions.

C. **Notice.** The Department shall give notice of each violation to the Customer committing such violation as follows:

1. For any violation of the provisions of Section 121.08 and 121.09, the Department may give written notice of the fact of such violation to the Customer personally, by posting a notice at a conspicuous place on the Customer's premises or by United States mail, First-Class, postage prepaid, addressed to the Customer's billing address.

2. If the penalty assessed is, or includes, the installation of a flow restrictor or the termination of water service to the Customer, notice of the violation shall be given in the following manner:

(a) By giving written notice thereof to the Customer personally;

or

(b) If the Customer is absent from or unavailable at either their place of residence or place of business, by leaving a copy with some person of suitable age and discretion at either place, and sending a copy

through the United States mail, First Class postage prepaid, addressed to the Customer at their place of business, residence or such other address provided by the Customer for bills for water or electric service if such can be ascertained; or

(c) If such place of residence, business or other address cannot be ascertained, or a person of suitable age or discretion at any such place cannot be found, then by affixing a copy in a conspicuous place on the property where the failure to comply is occurring, and also by delivering a copy to a person of suitable age and discretion there residing or employed, if such person can be found, and also sending a copy through the United States mail, First Class, postage prepaid, addressed to the Customer at the place where the property is situated, as well as such other address provided by the Customer for bills for water or electric service if such can be ascertained.

Said notice shall contain, in addition to the facts of the violation, a statement of the possible penalties for each violation and statement informing the Customer of their right to a hearing on the violation.

D. Hearing and Appeal. Any Customer who disputes any penalty levied pursuant to this Section shall have a right to a dispute determination conducted pursuant to the Department's Rules Governing Water and Electric Service. Any Customer dissatisfied with the Department's dispute determination may appeal that determination within 15 days of issuance to the Board or to a designated hearing officer at the election of the Board. The provisions of Sections 19.24, 19.25, 19.26 and Sections 19.29 through 19.39 of the Los Angeles Administrative Code shall apply to such appeals. All defenses, both equitable and legal, may be asserted by a Customer in the appeal process. The decisions of the Board shall become final at the expiration of 45 calendar days, unless the Council acts within that time by a majority vote to bring the action before it or to waive review of the action. If the Council timely asserts jurisdiction, the Council may, by a majority vote, amend, veto or approve the action of the Board within 21 calendar days of voting to bring the matter before it, or the action of the Board shall become final. If the City Council asserts jurisdiction over the matter and acts within 21 calendar days of voting to bring the matter before it, the City Council's action shall be the final decision.

E. Public Disclosure. Any violation of any section of this Ordinance shall be subject to disclosure under the California Public Records Act.

F. Reservation of Rights. The rights of the Department hereunder shall be cumulative to any other right of the Department to discontinue service. All monies collected by the Department pursuant to any of the surcharge provisions of this Article shall be collected for water conservation purposes consistent with this Ordinance.

SEC. 121.11. GENERAL PROVISIONS.

A. **Enforcement.** The Department of Water and Power, through a designee of the General Manager, shall enforce the provisions of this Article. At any time, Department may use technology that will assist staff in observing water use of customers and enforcing the ordinance. Technology may be used for, but not limited to, evidence of an ordinance violation and as justification for issuing any penalties.

B. **Department to Give Effect to Legislative Intent.** The Department shall provide water to its Customers in accordance with the provisions of this Article and in a manner reasonably calculated to effectuate the intent hereof.

C. **Public Health and Safety Not to be Affected.** Nothing contained in this Article shall be construed to require the Department to curtail the supply of water to any Customer when, in the discretion of the Department, such water is required by that Customer to maintain an adequate level of public health and safety, provided further that a Customer's use of water to wash the Customer's property immediately following the aerial application of a pesticide, such as Malathion, shall not constitute a violation of this Article.

D. **Recycled Water and Gray Water.** The provisions of this Article shall not apply to the use of Recycled Water or Gray Water, provided that such use does not result in excess water flow or runoff onto the adjoining sidewalk, driveway, street, gutter or ditch. This provision shall not be construed to authorize the use of Gray Water if such use is otherwise prohibited by law.

E. **Large Landscape Areas.** Large Landscape Areas that have multiple irrigation system stations can deviate from prescribed non-watering days if their systems include weather-based irrigation controllers, and each irrigation station is limited to the number of days prescribed in Section 121.08.

F. **Hillside Burn Areas.** The provisions of this Article shall not apply to hillside areas recovering from fire that have been replanted for erosion control. To qualify for this exemption, a Customer must obtain verification from the agency requiring erosion control measures. The duration of the exemption is limited to either one growing cycle, one year, or establishment of the vegetation, whichever is the lesser time period.

SEC. 121.12. SEVERABILITY.

If any section, subsection, clause or phrase in this Article or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of the Article or the application of such provision to other persons or circumstances shall not be affected thereby. The City Council hereby declares that it would have passed this Article and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections,

sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.

Sec. 2. **URGENCY CLAUSE.** The Council of the City of Los Angeles hereby finds and declares that there exists within this City a current water shortage and the likelihood of a continuing water shortage into the immediate future and that as a result there is an urgent necessity to take legislative action through the exercise of the police power to protect the public peace, health and safety of this City from a public disaster or calamity. Therefore, this ordinance shall take effect immediately upon publication.


Sec. 3. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, **by a vote of not less than three-fourths** of all its members, at its meeting of APR 19 2016.

HOLLY L. WOLCOTT, City Clerk

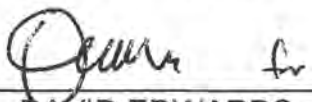
By  Deputy

Approved 4/25/16

 Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By  for
DAVID EDWARDS
Deputy City Attorney

Date 4/1/16

File No. 15-0540

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