



Main San Gabriel Basin
WATERMASTER

Rules and Regulations

**Upper San Gabriel Valley Municipal Water District v. City of Alhambra, et. al.
Case No. 924128 – Superior Court of Los Angeles County**

**As amended December 7, 2005, June 6, 2007, and June 21, 2012
Resolutions 12-05-201, 06-07-213, and 03-13-251**

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**RULES AND REGULATIONS OF
MAIN SAN GABRIEL BASIN WATERMASTER**

(As Revised, Amended, and Readopted by Resolution No. 12-05-201, adopted December 7, 2005, and Resolution No. 6-07-213, adopted June 6, 2007, and Resolution No. 03-13-251, adopted March 6, 2013)

8 The definitions set forth in the Judgment in Los Angeles County Superior Court
9 Civil Action No. 924128, entitled, "Upper San Gabriel Valley Municipal Water District v.
10 City Alhambra. et al." as amended (Judgment herein), as well as additional definitions
11 relating specifically to Section 28 of these Rules and Regulations, are used herein with
12 the same meanings and are listed in Appendix "A" hereof.

13 1. Offices and Records. Watermaster's records shall be maintained at its
14 offices, currently located at:

15 725 North Azusa Avenue

16 Azusa, California 91702

17 Telephone (626) 815-1300

18 Fax (626) 815-1303

19 Watermaster.org

20 Said records shall be available for inspection by any party during regular
21 business hours. Copies of said records may be had upon payment of the costs of the
22 duplication thereof and of any preparation costs pertaining thereto.

23 2. Watermaster Meetings and Holidays. Regular meetings of Watermaster
24 shall be held at 2:30 p.m. on the first Wednesday of each and every month in the
25 conference room of the City of Azusa Light and Water Administration Facility, 729 North
26 Azusa Avenue, Azusa, California 91072, or at such time and place as otherwise
27 determined by Watermaster.
28

1 (a) Holidays. The following holidays shall be observed by
2 Watermaster:

- 3 - January 1 (New Year's Day);
- 4 - The third Monday in January (Martin Luther King's Birthday);
- 5 - The third Monday in February (Presidents' Day);
- 6 - The last Monday in May (Memorial Day);
- 7 - July 4 (Independence Day);
- 8 - The first Monday in September (Labor Day);
- 9 - The second Monday in October (Columbus Day);
- 10 - November 11 (Veterans' Day);
- 11 - The fourth Thursday and the following Friday in November
12 (Thanksgiving);
- 13 - December 25 (Christmas Day);

14 (1) If January 1, July 4, November 11, or December 25 falls on a
15 Sunday, the Monday following shall be that holiday and if any of said dates
16 fall on a Saturday, the preceding Friday shall be that holiday.

17 (2) When any regular meeting of Watermaster shall fall on a
18 hereinabove designated Watermaster holiday, said regular meeting shall
19 be held on the next succeeding regular business day at the same time and
20 at the same place as the said regularly scheduled meeting, unless
21 otherwise determined by Watermaster.

22 (b) Meeting Changes. Any changes in the time or place of said regular
23 meeting shall be in compliance with the Judgment.

24 (c) Special Meetings. Special meetings of Watermaster may be called
25 at any time by the Chair or Vice-Chair or by any three (3) members of
26 Watermaster, by written notice in compliance with the Judgment. The calling
27 notice shall specify the time and place of the special meeting and the business to
28 be transacted. No other business shall be considered at such meetings.

1 (d) Adjournment. Any meeting of Watermaster may be adjourned to a
2 time and place specified in the Order of Adjournment. Less than a quorum of
3 Watermaster, Watermaster's Secretary, or the Executive Officer may so adjourn
4 from time to time. A copy of the Order or Notice of Adjournment shall be
5 conspicuously posted on or near the door of the place where the meeting was
6 held or to be held, within twenty-four (24) hours after the adoption of the Order of
7 Adjournment.

8 3. Quorum of Watermaster, Necessary Votes for Action and Roll Call of
9 Votes. Five (5) members of Watermaster shall constitute a quorum for the transaction
10 of its affairs. Action by the affirmative vote of five (5) members shall constitute action by
11 the Watermaster, except that the affirmative vote of six (6) members shall be required:
12 (a) to enter into any Cyclic Storage Agreement; or (b) to approve the purchase,
13 spreading or injection of Supplemental Water for Ground Water recharge.

14 Any member of Watermaster may request a roll call vote on any question or
15 motion considered and the ayes and noes thereon shall be recorded in the minutes of
16 the meeting.

17 4. Agenda of Watermaster Meetings. Any person requesting that a matter be
18 considered by Watermaster for action thereon shall request the same in writing directed
19 to Watermaster's Executive Officer for inclusion on the Agenda of the next scheduled
20 meeting to be held at least ten (10) days after receipt of said request.

21 5. Conduct of Meetings – Robert's Rules of Order. For the conduct of
22 Watermaster meetings, Roberts' Rules of Order shall be followed and, without consent
23 of Watermaster, the priorities of Watermaster business shall be that stated in the
24 Agenda for a particular meeting.

25 6. Organization of Watermaster. At its first meeting each year, Watermaster
26 shall elect a Chair and Vice Chair from its membership. It shall also select a Secretary
27 and a Treasurer and may select such assistants as may be appropriate, any of whom
28 may, but need not be, members of Watermaster.

1 7. Minutes. Minutes of all Watermaster meetings shall be kept, which shall
2 reflect all actions taken. Draft copies thereof shall be furnished to any party who files a
3 request therefor in writing with Watermaster. Said draft copies of minutes shall
4 constitute notice of any Watermaster action therein reported and failure of a party herein
5 to request copies thereof shall constitute his waiver of notice.

6 8. Designee to Receive Future Notices. Each party who has not heretofore
7 made such a designation shall, within thirty (30) days after the Judgment shall have
8 been served upon that party, file with the court, with proof of service of a copy thereof
9 upon Watermaster, a written designation of the person to whom and the address at
10 which all future notices, determinations, requests, demands, objections, reports and
11 other papers and processes to be served upon that party or delivered to that party are to
12 be so served or delivered.

13 (a) Service Upon and Delivery to Parties of Various Papers. Service of
14 the Judgment on those parties who have executed the Stipulation for Judgment
15 shall be made by first class mail, postage prepaid, addressed to the designee
16 and at the address designated for that purpose in the executed and filed
17 counterpart of the Stipulation for Judgment, or any substitute designation filed
18 with the Court.

19 (b) Substitute Designee. A later substitute designation filed and served
20 in the same manner by any party shall be effective from the date of filing as to the
21 then future notices, determinations, requests, demands, objections, reports and
22 other papers and processes to be served upon or delivered to that party.

23 (c) Delivery Method. Delivery to or service upon any party by
24 Watermaster, by any other party, or by the Court, of any item required to be
25 served upon or delivered to a party under or pursuant to the Judgment may be
26 made by deposit thereof (or by copy thereof) in the mail, first class, postage
27 prepaid, addressed to the designee of the party and at the address shown in the
28 latest designation filed by that party. In lieu of mailing any item required to be

1 served under the Judgment, Watermaster may serve such item by electronic
2 service, which may include posting the document to Watermaster's website,
3 sending an e-mail of the document to that party, or sending notice of availability
4 to that party indicating the document's availability for viewing on the Watermaster
5 website. If a party does not have a valid e-mail address or internet access, that
6 party shall identify an alternative method of service to be approved by
7 Watermaster in its sole discretion. Any further reference to "mail" or "mailing"
8 shall constitute "delivery to" or "service upon", pursuant to this Section 8(c).

9 (d) Party Removal. Any party desiring to be relieved of receiving
10 notices of Watermaster activity may file a waiver of notice on a form to be
11 provided by Watermaster. Thereafter such party shall be removed from the
12 active party service list and not receive any notices required under the Judgment.
13 The parties have a duty to keep Watermaster informed of their current e-mail and
14 mailing addresses. If mail or e-mail is returned undeliverable to Watermaster for
15 an incorrect address, Watermaster in its sole discretion may remove that party
16 from the active party service list.

17 (e) List of Designees. Watermaster shall maintain a current list of party
18 designees to receive notices under the Judgment.

19 9. Election of Producer Representatives.

20 (a) Notice of Nomination Election. Watermaster shall annually give ten
21 (10) days notice to all parties that an election shall be held at Watermaster's
22 regularly scheduled meeting in November of each year, for the purpose of
23 nominating Producer representatives to Watermaster.

24 (b) Voting. Nominations of six (6) Producer representatives shall be by
25 cumulative voting in person or by proxy, with each Producer entitled to one (1)
26 vote for each one hundred (100) acre-feet, or portion thereof, owned by him, of
27 Base Annual Diversion Right, Prescriptive Pumping Right or Integrated
28 Production Right, as defined in the Judgment. When the names placed in

1 nomination exceed the number of representatives to be elected, votes shall be
2 cast by ballot using official ballot forms provided by Watermaster. Each ballot
3 form must list the Producer and designee or proxy holder casting the vote, the
4 Producer's voting entitlement, the names of the nominees for whom the votes
5 have been cast, and the number of votes cast for each nominee.

6 (c) Conduct of Elections. Prior to the nomination of Producer
7 representatives, the Chair shall appoint tellers to conduct the election. Such
8 tellers may include any member of Watermaster staff to monitor the canvassing
9 and counting of votes. The tellers shall distribute the ballots, and, at the
10 conclusion of the balloting, collect the ballots, retire to tabulate the votes, and
11 promptly report the results of the election to the parties present at the election.

12 (1) In the event there is a challenge to the
13 declared election results, the Chair shall
14 appoint three (3) Producer parties as election
15 inspectors who shall recount the election
16 ballots and immediately certify the results of
17 such election to Watermaster and others
18 present at the election.

19 (2) All ballots shall be considered
20 confidential, and no ballot or information
21 thereon shall be disclosed except to the
22 appointed tellers and election inspectors,
23 without the express permission of the Producer
24 casting the ballot.

25 (d) Appointment. All Watermaster nominations shall be promptly
26 certified to the Court, which will in ordinary course confirm the same by an
27 appropriate order appointing said Watermaster; provided, however, that the Court
28 at all times reserves the right and power to refuse to appoint, or to remove any

1 member of Watermaster: Notwithstanding Section 27 of the Judgment,
2 Watermaster nominations may be promptly certified by the Court upon ten (10)
3 calendar days' notice thereof, plus the time prescribed by statute for service by
4 mail, e-mail or other electronic means.

5 10. Vacancy on Watermaster and Replacement. In the event of a vacancy on
6 Watermaster, a successor shall be nominated at a special meeting of Watermaster and
7 Producers to be called by Watermaster within ninety (90) days in the case of a Producer
8 representative or by the action of the appropriate District Board of Directors in the case
9 of a Public Representative. Subject to approval and appointment by the Court, such
10 successor Watermaster shall fill the unexpired term of the Watermaster member
11 replaced.

12 11. Watermaster Action Subject to Court Review. Any action, decision, rule or
13 procedure of Watermaster shall be subject to review by the Court on its own motion or
14 on timely petition or motion for an Order to Show Cause by any party, as follows:

15 (a) Effective Date of Watermaster Action. Any order, decision or action
16 of Watermaster shall be deemed to have occurred on the date that written notice
17 thereof is delivered. Delivery of draft copies of Watermaster minutes which
18 contain such order, decision, action, or contemplated action, to the parties
19 requesting the same shall constitute such notice to all parties, as of the date of
20 such delivery.

21 (b) Notice of Motion. Any party may, by a regularly noticed motion,
22 petition the Court for a review of any Watermaster action or decision. Notice of
23 such motion shall be delivered to Watermaster and to the designees of all parties.
24 Unless ordered by the Court, such petition shall not operate to stay the effect of
25 such Watermaster action.

26 (c) Time for Motion. Within thirty (30) days of delivery of Notice of
27 Watermaster Determination of Operating Safe Yield together with a statement of
28 each Producer's entitlement thereunder, any affected party may, by a regularly

1 noticed motion, Petition the Court for an Order to Show Cause for review of said
2 Watermaster findings, determination or entitlement and thereupon the Court shall
3 hear objections thereto and settle such dispute.

4 Notice of motion to review any other Watermaster action or decision shall
5 be served and filed within ninety (90) days after such Watermaster action or
6 decision.

7 (d) De Novo Nature of Proceedings. Upon filing of such motion for
8 hearing, the Court shall notify the parties of the date for taking evidence and
9 argument, and shall review *de novo* the question at issue on the date designated.
10 The Watermaster decision or action shall have no evidentiary weight in such
11 proceedings.

12 (e) Decision. The decision of the Court in such proceedings shall be
13 an appealable Supplemental Order in this case. When the same is final, it shall
14 be binding upon the Watermaster and the parties.

15 12. Water Measuring Devices and Meter Test Program. Parties producing in
16 excess of five (5) acre-feet per year shall, pursuant to these uniform rules, install and
17 maintain in good operating condition, at the cost of each such party, such necessary
18 water measuring devices or meters as may be appropriate. Any such measuring device
19 is subject to such inspection and testing as Watermaster may, from time to time, deem
20 necessary. Upon testing, the meters shall be sealed by Watermaster and remain so
21 sealed. Watermaster will conduct a formal meter-testing program to help the parties
22 accurately report their Production. Watermaster intends to test every meter under its
23 jurisdiction at least once every two (2) years.

24 (a) Tests of Meters Which Supply Watermaster. At least once every
25 two (2) years, Watermaster shall request certified meter tests of all meters of
26 Responsible Agencies through which Supplemental Water is furnished to
27 Watermaster and of the meters which measure all Cyclic Storage deliveries
28 authorized by Watermaster.

1 (b) Wells. Water wells shall be equipped with a positive displacement,
2 velocity impeller, venturi, orifice-type or electromagnetic flow meter with a
3 totalizer. The totalizer on positive displacement, velocity impeller, venturi and
4 orifice-type meters shall be correctable only by changing mechanical gear
5 equipment. Producers using electromagnetic flow meters shall ensure that
6 electronic access to meter data is user-defined and password-protected to
7 prevent unauthorized resetting of the totalizer. Additionally, all wells equipped
8 with electromagnetic flow meters shall also have a run-hour meter installed to
9 provide verification of production in the event the totalizer is inappropriately or
10 accidentally reset or its accuracy is otherwise disputed. The meter shall be
11 accessible and installed according to good design practices. Watermaster
12 personnel shall assist any party having any question as to installation
13 requirements.

14 (c) Calibrated Test Equipment. Watermaster or its approved meter
15 tester will maintain a complete line of carefully calibrated test equipment. This
16 equipment is the standard with which all water meters must be compared. The
17 tolerance for each meter is plus (+) or minus (-) five percent (5%) of the standard.
18 Watermaster may require any Producer with multiple wells and meters to
19 maintain an aggregate accuracy of plus (+) or minus (-) two percent (2%).

20 (d) Repair or Replacement of Inaccurate Meters. Defective or
21 inaccurate meters must be repaired within thirty (30) days of receipt of notice
22 thereof from Watermaster.

23 (e) Surface Diversions. Surface Water Diversions shall be measured
24 with a weir and recorder or meter capable of accurately measuring and recording
25 such Diversions.

26 (f) Interim Meter Tests. Should a Producer discover that the meter
27 which measures the water Production from his well is measuring inaccurately, he
28 shall first notify Watermaster thereof, have the meter retested and, if measuring

1 inaccurately, then have the same repaired at the earliest practical and reasonable
2 time. Upon the completion of such repair, such Producer shall immediately have
3 such meter tested and sealed by Watermaster and it shall remain so sealed.
4 Such testing and sealing will be accomplished by Watermaster upon request
5 therefor by said Producer or said repaired meter may be tested and sealed by
6 any meter tester authorized by Watermaster, as provided in Subsection (g) of this
7 Section 12. Results of such meter tests shall be furnished to Watermaster within
8 ten (10) days of testing, on forms provided by Watermaster.

9 (g) Watermaster Approved Meter Testers. Persons, firms or
10 corporations in the business of repairing and/or testing water measuring devices
11 may be approved by Watermaster to test and seal meters on behalf of
12 Watermaster by submitting their qualifications therefor to Watermaster and
13 obtaining Watermaster's approval to perform meter tests and seal such meters as
14 agents of Watermaster. The name, address and telephone number of all such
15 Watermaster approved meter testers shall be maintained at and be available
16 from the office of Watermaster.

17 (h) Meter Seal by Watermaster and Notification of Meter Maintenance.
18 At the completion of all meter tests Watermaster's seal shall be placed on the
19 meter, if the meter test demonstrates that the meter is within the accuracy
20 standard of five percent (5%).

21 Such sealing then requires that Watermaster be notified in writing within
22 seven (7) days if Watermaster's seal has been broken or if any of the following
23 events occur: (a) the meter is to be repaired or recalibrated; (b) there is any
24 other interference affecting the meter or Watermaster's seal; (c) the meter is to be
25 relocated even if Watermaster's seal is still intact; or (d) a new meter is to be
26 installed.

27 (i) Estimation of Production Due to Meter Maintenance. When
28 a Producer must estimate Production due to meter maintenance, he shall consult

1 with Watermaster or its engineer for approval of the method of estimation. A
2 copy of the estimate calculations shall be supplied to Watermaster with the
3 corresponding Quarterly Production Report.

4 13. Reports of Producers to Watermaster. Each Producer with an adjudicated
5 right in excess of five (5) acre-feet per year and each Producer with an Overlying Right
6 in any amount shall file with Watermaster a quarterly report of water Produced from the
7 Basin or Relevant Watershed, on forms provided by Watermaster. Producers using
8 electromagnetic flow meters shall report run hours in addition to totalizer readings.
9 Quarterly Production Reports shall be so filed no later than the last day of the month
10 next succeeding the end of the relevant quarter, i.e. April 30, July 31, October 31 and
11 January 31.

12 Each party shall file with the Watermaster quarterly, on or before the last
13 day of January, April, July and October, a report on a form to be prescribed by
14 Watermaster showing the total Pumping and Diversion (separately for Direct Use and
15 for non-consumptive use, if any) of such party during the preceding calendar quarter.

16 Minimal Producers who initiated production on or before June 21, 2012,
17 are exempted from the operation of this Physical Solution, so long as such party's
18 annual Production does not exceed five (5) acre-feet. Watermaster may require, and
19 Minimal Producers shall furnish, specific periodic reports. In addition, Watermaster may
20 conduct such investigation of future operations of any Minimal Producer as may be
21 appropriate. As of June 21, 2012, there shall be no new Minimal Producers, and any
22 new Producer shall be subject to all provisions of the Judgment.

23 (a) Adjudicated Right in Excess of Five (5) Acre-Feet Not to be
24 Reduced to Minimal Producer by Transfer. Any portion of: (1) the Base Annual
25 Diversion Right of a Diverter; (2) the Prescriptive Pumping Right of a Pumper; or
26 (3) the Diversion Component and Prescriptive Pumping Component of an
27 Integrated Producer, adjudicated in any amount in excess of five (5) acre-feet per
28 year [at the time that Judgment herein was entered, January 4, 1973], that is or

1 may be reduced to five (5) acre-feet or less by assignment or transfer of rights, as
2 permitted by Section 55 of the Judgment, shall not enjoy the status of a Minimal
3 Producer as defined in Section 10 (o) of the Judgment.

4 (b) Notice to Watermaster of Transfers of Water Rights. Within fifteen
5 (15) days thereof all parties shall notify Watermaster of any transfer, assignment,
6 license or lease of any water right, or portion thereof, not shown in the Judgment
7 or previously filed with Watermaster and such transferee must be or become a
8 party to the action (as provided in Section 57 of the Judgment). All parties are
9 required to notify Watermaster of any subsequent assignment, transfer, license or
10 lease of water rights granted or acquired by them and they shall file a duly
11 acknowledged copy of the document(s) therefor with Watermaster, within fifteen
12 (15) days after execution and acknowledgement of such document(s).

13 For such assignment, transfer, license or lease of water rights to be
14 effective for, or be deemed by Watermaster to apply to, Production in a
15 particular Fiscal Year (July 1 - June 30), the document(s) therefor shall be
16 executed and acknowledged prior to the end of said Fiscal Year (June 30)
17 and copies thereof showing such acknowledgement must be received by
18 Watermaster prior to July 15, following the end of said particular Fiscal
19 Year. The transferee must be, or petition to become, a party to the action
20 within ninety (90) days following such assignment, transfer, license or
21 lease of water rights.

22 When the term of a temporary assignment, transfer, license or
23 lease of water rights extends beyond the end of the current Fiscal Year, it
24 shall be the obligation of the transferee thereof to annually, during the
25 month of July of each Fiscal Year during said term, notify Watermaster of
26 said transferee's intention to exercise said water right during the then
27 current applicable Fiscal Year.
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1 (c) Conveyance of Water Right with Conveyance of Property. Parties
2 are advised that when a water right owner conveys the property where a water
3 right was developed, the said water right shall not be conveyed with such
4 property unless and until the appropriate notice procedures established by
5 Watermaster have been complied with. When it is intended to transfer or acquire
6 adjudicated water rights in the Basin or Relevant Watershed, the parties thereto
7 are advised to use the appropriate forms contained in exhibits to these Rules and
8 Regulations and to notify Watermaster of such transfers by furnishing a copy of
9 such transfer documents(s) within fifteen (15) days of execution and
10 acknowledgement thereof.

11 (d) Conveyance of Water Right without Conveyance of Property.
12 Parties are also advised that the owner of an adjudicated water right herein
13 (except an Overlying Right) may transfer the same (temporarily or permanently)
14 without conveyance of the property where the water right was developed.

15 (e) Transfer of Overlying Right. The transfer and use of Overlying
16 Rights shall be limited (as provided in Section 21 of the Judgment) as exercisable
17 only on specifically defined Overlying Lands and they cannot be separately
18 conveyed or transferred apart therefrom.

19 (f) Intervention Stipulation Required. No conveyance of water rights to
20 a person who is not a party to the subject action shall be recognized by
21 Watermaster unless the transferee thereof files with Watermaster a Stipulation in
22 Intervention to the subject action (Exhibit "E") agreeing to be bound by the
23 Judgment herein, and until the Court approves said Stipulation and Intervention.

24 (g) Notice Required. Any transfer of water rights shall be effective only
25 when the requirements of this Section 13 are met and when the parties file with
26 Watermaster, within fifteen (15) days of such transfer, a copy of the transfer
27 document(s) which:
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- (1) Identifies both the transferee(s) and the transferor(s);
- (2) Accurately recites the total quantity (in acre-feet) of water rights transferred;
- (3) Is executed by both the transferee(s) and the transferor(s);
- (4) Is acknowledged by both transferee(s) and transferor(s) in a form sufficient for recordation;
- (5) Lists the designee(s) of both the transferor(s) and transferee(s) to receive future service and notice of papers and process; and
- (6) Is accompanied by a map of the service area where the water was used by transferor(s) (assignors) and a map of the service area where the water is intended to be used by the transferee(s) (assignees), if requested by Watermaster.

(h) Approved Forms of Transfer Documents and Other Forms.

Approved forms of such transfer documents and other approved Watermaster forms are attached hereto, marked and identified as follows:

- | | |
|-------------|-------------------------------------------------------------------------|
| Exhibit "A" | Permanent Transfer of Water Rights –
Prescriptive Pumping Rights |
| Exhibit "B" | Permanent Transfer of Water Rights--Base
Annual Diversion Right |
| Exhibit "C" | Permanent Transfer of Water Rights--
Integrated Production Right |
| Exhibit "D" | Temporary Assignment or Lease of Water
Right |
| Exhibit "E" | Stipulation Re Intervention After Judgment |
| Exhibit "F" | Designee to Receive Future Notices for and on
Behalf of Defendant(s) |

1 Operating Safe Yield of the Basin for each of the succeeding five (5) Fiscal
2 Years. Said determination shall be made in the form of a report containing a
3 summary statement of the considerations, calculations and factors utilized by
4 Watermaster in arriving at the said Operating Safe Yield.

5 (b) Notice of Hearing. A copy of said Preliminary Determination Report
6 shall be delivered to all parties at least ten (10) days prior to a hearing thereon to
7 be commenced at Watermaster's regular meeting in May of each year, at which
8 time objections or suggested corrections or modifications of said determination
9 shall be considered.

10 (c) Watermaster Final Determination and Review Thereof. Within thirty
11 (30) days after completion of said hearing, Watermaster shall deliver to each
12 Pumper, Diverter, Overlying User and Integrated Producer a Final Report and
13 Determination of said Operating Safe Yield for each such Fiscal Year, together
14 with a statement of the Producer's entitlement in each such Fiscal Year stated in
15 acre-feet. Any affected party, within thirty (30) days of delivery of notice of said
16 Watermaster determination, may petition the Court for an Order to Show Cause
17 for Review of said determination in accordance with Section 11 hereof.

18 15. Carry-over Rights.

19 (a) Pumping. Any Pumper's Share of Operating Safe Yield, and the
20 Production right of any Integrated Producer which is not Produced in a given year
21 may be carried over and accumulated for one (1) year.

22 (b) Diversions. Diverters shall be entitled to Divert for direct use up to
23 two hundred percent (200%) of their Base Annual Diversion Right in any Fiscal
24 Year, provided that the aggregate quantities of water Diverted in any consecutive
25 ten (10) Fiscal Year period shall not exceed ten (10) times such Diverter's Base
26 Annual Diversion Right.

27 (c) Overlying Rights. By definition, there is no carry-over of Overlying
28 Rights.

1 (d) Presumption as to Carry-over Rights. The first water Produced in
2 the succeeding Fiscal Year shall be deemed Produced pursuant to such
3 Producer's Carry-over Rights.

4 16. Special Hearings. Watermaster shall conduct such special hearings as
5 deemed appropriate upon thirty (30) days notice to the parties hereto.

6 17. Policy Decisions. No policy decision shall be made by Watermaster until
7 its next regular meeting after the question involved has been raised for discussion at a
8 Watermaster meeting and noted in the draft of minutes thereof.

9 18. Assessments. Watermaster shall have the power to levy and collect
10 Assessments from the parties (other than non-consumptive users, or Production under
11 Special Category Rights or Cyclic Storage Agreements) based upon Production during
12 the preceding Fiscal Year. Assessments on Minimal Producers will apply only to (1)
13 existing parties who become Minimal Producers in the future; and (2) Minimal Producers
14 who intervene after June 21, 2012. Said Assessments may be for one or more of the
15 following purposes:

16 (a) Administration Costs. At its regular May meeting Watermaster shall
17 adopt a proposed budget for the succeeding Fiscal Year and within fifteen (15)
18 days shall deliver a copy thereof to each party, together with a statement of the
19 level of Administration Assessment levied by Watermaster and which will be
20 collected for purposes of raising funds for said budget. Said Assessments shall
21 be uniformly applicable to each acre-foot of Production.

22 (b) Replacement Water Costs. Replacement Water Assessments shall
23 be collected from each Producer on account of such party's Production in excess
24 of its Diversion Rights, Pumper's Share or Integrated Production Right, and on
25 account of the consumptive use portion of Overlying Rights, computed at the
26 applicable rates established by Watermaster, consistent with Watermaster's
27 Operating Criteria (Exhibit "H" to the Judgment) – and other relevant factors,
28 including the projected cost and availability of Supplemental Water supplies.

1 Watermaster Replacement Water Assessment rates may be in an amount
2 calculated to allow Watermaster to purchase more than one acre-foot of
3 Supplemental Water for each acre-foot of excess Production to which such
4 Assessment applies, when such purchases are necessary to secure
5 Supplemental Water supplies for the benefit of the Basin and parties. Such
6 assessment shall be in accordance with the "Policy/Criteria for Replacement
7 Water Assessment" as appended hereto.

8 (c) Make-up Obligation. An Assessment shall be levied and collected
9 equally on account of each acre-foot of Production, which does not bear a
10 Replacement Water Assessment hereunder, to pay all necessary costs of
11 administration and satisfaction of the Make-up Obligation. Such Assessment
12 shall not be applicable to water Production of an Overlying Right.

13 (d) In-Lieu Water Cost. An Assessment may be levied against all
14 Pumping to pay reimbursement for In-Lieu Water Cost except that such
15 Assessments shall not be applicable to the non-consumptive use portion of
16 Overlying Rights.

17 (e) Water Resource Development Costs. Watermaster may levy an
18 Assessment on all Pumping to support the purchase, financing, and/or
19 development of new or additional Supplemental Water sources, in cooperation
20 with one or more Responsible Agencies as appropriate. Such assessment shall
21 be in accordance with the "Policy/Criteria for Water Resource Development
22 Assessment" as appended hereto.

23 (f) Waivers Possible for Water Quality Improvement or Protection. In
24 accordance with Section 45 (e) of the Judgment, a Producer of water from the
25 Basin for the purpose of testing, protecting, or improving water quality, may apply
26 in writing by verified petition or application (hereinafter "Application") to
27 Watermaster, for approval of such water Production free of all or any part of
28 Watermaster Assessments thereon, and for waiver of one or more of the

1 provisions of Sections 25, 26, and 57 of said Judgment, where appropriate, upon
2 terms and conditions to be established by Watermaster after a noticed hearing on
3 such Application.

4 A waiver of Assessment shall not be granted for the purpose of
5 removal of contamination or improvement of the quality of Basin water which has,
6 or could have, resulted from the activity of the Applicant for such waiver.

7 In the event cleanup or Treatment Facilities are installed in the
8 Basin by or for the benefit of a Producer, and the Basin water receiving treatment
9 from said Treatment Facilities is subsequently delivered by or used for beneficial
10 purposes of such Producer, the Production of such water shall not be entitled to
11 waiver or modification of Watermaster Assessments thereon.

12 Notwithstanding the above, if Basin water is treated and
13 immediately percolated or reintroduced to the Basin by way of spreading,
14 injection, or otherwise, for purposes of this Section 18 (f), its Production may,
15 upon Watermaster's approval of an Application to waive or modify its
16 Assessments on the same, be entitled thereto. In any event, such water shall
17 only be percolated or reintroduced to the Basin with the consent of Watermaster
18 and said water shall be of a quality acceptable to Watermaster.

19 Although all Production from the Basin must be reported to
20 Watermaster on a timely basis in accordance with these Rules and Regulations,
21 Production which is granted a waiver of Assessment hereunder may, by reason
22 of certain circumstances as specifically determined by Watermaster, be deemed
23 an unused right and entitled to carry-over, in accordance with Section 49 of the
24 Judgment.

25 (g) Application for Waiver of Assessment. An Application for Waiver of
26 Assessment, as above set forth, shall contain all relevant information relied upon
27 by Applicant which he believes justifies the granting of said Application. All such
28 Applications shall explain the special needs and circumstances for such

1 Production and specify the approximate amounts to be Produced, the time frame
2 of such Production, the specific location(s) of the points(s) of extraction(s), and
3 the place of intended disposal of such water, as well as any supplemental or
4 additional information requested by Watermaster. All such extractions shall be
5 metered and reported quarterly to Watermaster, along with all other Basin
6 Production, in accordance with these Rules and Regulations.

7 Should an Application contain incomplete information or should
8 Watermaster desire additional, other, or further information in relation thereto, the
9 same shall also be furnished and verified by Applicant.

10 (h) Hearing and Effective Date. Within thirty (30) days of the filing of
11 any such Watermaster accepted Application, Watermaster shall give at least
12 thirty (30) days notice to the designees of all parties that it will hold a hearing on
13 said Application. Watermaster may, after the conclusion of said hearing, under
14 then existing conditions, waive all or any part of its Assessments on such
15 Production, such waiver shall not be effective prior to the date of the filing of said
16 accepted Application, and may also waive the provisions of Sections 25, 26, and
17 57 of the Judgment herein.

18 The effective date for the granting of an Application to waive or
19 modify Watermaster Assessments shall be no later than ten (10) days after
20 approval thereof by Watermaster and it shall continue for the period of time
21 specified therein, unless sooner terminated or extended by Watermaster.
22 Nothing herein is intended to allow an increase in any Producer's annual
23 entitlement under the Judgment.

24 (i) Borrowing. Upon approval by the Watermaster at its
25 regularly scheduled public meeting, when necessary to secure
26 Supplemental Water, Watermaster may borrow funds in excess of the
27 annual amount of Assessments levied but uncollected. Prior to borrowing
28 funds, Watermaster shall meet and confer with Responsible Agencies and

1 seek their input. Borrowing shall be in accordance with the "Policy/Criteria
2 for Borrowing" as appended hereto.

3 19. Levy and Notice of Assessments. Within thirty (30) days of Watermaster's
4 annual determination of Operating Safe Yield of the Basin for each Fiscal Year and
5 succeeding four (4) Fiscal Years, and at such other time [s] of the year as determined by
6 Watermaster, Watermaster shall levy applicable Administration Assessments,
7 Replacement Water Assessments, Make-Up Water Assessments, In-Lieu Water
8 Assessments, and Water Resource Development Assessments, if any. Watermaster
9 shall give written notice of all applicable Assessments to each party on or before August
10 15, of each year, and at such other time [s] as determined by Watermaster. To provide
11 flexibility and maximize the opportunity to secure Replacement Water supplies when
12 available, Watermaster may levy supplemental assessments as necessary to create
13 sufficient funds to purchase and pre-purchase such Replacement Water supplies for the
14 benefit of the Basin and parties.

15 (a) Payment. All Watermaster Assessments shall be due and payable
16 on or before September 20, or at such other times as determined by
17 Watermaster, following such Assessment levy or Assessment rate fixing, subject
18 to the rights reserved in Section 37 of the Judgment, and such Assessment shall
19 be paid or become delinquent after September 20.

20 (b) Delinquency. Any Assessment payment which becomes delinquent
21 shall bear interest at the annual prime interest rate in effect on the first business
22 day of August of each year, plus one percent (1 %). Said prime interest rates
23 shall be that fixed by the Bank of America NT&SA for its preferred borrowing on
24 said date. Said prime interest rate plus one percent (1%) shall be applicable to
25 any said delinquent Assessment payment from the due date thereof until paid,
26 provided, however, in no event shall any said delinquent Assessment bear
27 interest at a rate of less than ten percent (10%) per annum. Such delinquent
28 Assessment and said interest thereon may be collected in a Show Cause

1 proceeding in the subject action or in any other legal proceeding instituted by
2 Watermaster, and in such proceeding the Court may allow Watermaster its
3 reasonable costs of collection, including attorney's fees.

4 (c) Adjustments. By reason of Watermaster's inability to control the
5 direct costs and other charges incurred for Supplemental Water obtained from
6 Responsible Agencies, it may be necessary from time to time for Watermaster to
7 adjust the foregoing Assessments. Such Assessments may only be adjusted
8 after giving at least 15 days Notice to all Parties of the meeting at which such
9 adjustments will be considered by Watermaster.

10 20. Responsibility for Watermaster Assessments. Parties Producing water
11 from the Relevant Watershed shall be responsible for Watermaster Assessments levied
12 upon all Production.

13 21. Over and/or Under Reporting.

14 (a) Over Reporting. Watermaster shall make refunds, in whole or in
15 part, of Assessments theretofore paid, to any Producer who has erroneously
16 overstated his Production in any sworn statement for a quarterly period required
17 hereunder and who has overpaid any Assessment for that quarter, but only upon
18 compliance by the Producer with the procedure hereinafter set forth and within
19 the time hereinafter provided.

20 Any such Producer, within one (1) year of the last day for filing of
21 the said sworn statement for the quarterly period in question, may file a verified
22 application with Watermaster requesting a refund of that portion of any
23 Assessment claimed to have been paid by reason of that Producer's erroneous
24 overstatement of Production. If incomplete information is contained in said
25 application, or if Watermaster desires other, further, or additional information than
26 that set forth in said application, the same shall also be furnished by a verified
27 statement mailed to Watermaster on behalf of Applicant within thirty (30) days of
28 the mailing of the written notice or request therefor from Watermaster to the

1 Producer's designee, at his address as shown by Watermaster records, or the
2 application shall be deemed abandoned. Such request by Watermaster shall not
3 cause any application otherwise timely filed to be considered as not filed within
4 said one (1) year period. The Watermaster may pay any refund claimed without
5 a hearing thereon, but no application shall be denied, in whole or in part, without
6 a hearing being accorded to the Applicant, in which said hearing the Applicant
7 shall have the burden of proof. Any determination by Watermaster on any matter
8 in connection with said application shall be final and conclusive upon the said
9 Producer.

10 Any refund authorized to be paid under the provisions of this
11 Section may be paid only out of moneys realized from the appropriate
12 Watermaster Assessment levied or thereafter raised. Under election of the
13 Producer, any refund determined by Watermaster to be owing may be credited to
14 the Producer against any subsequent Assessments which might become due and
15 owing from him to Watermaster. No refunds shall be made except as authorized
16 by this section and this section may not apply to over reporting unless there has
17 been compliance with the provisions of Section 12 hereof.

18 (b) Under Reporting. If Watermaster shall have probable cause to
19 believe that the Production of water from any water Producing facility is in excess
20 of that disclosed by the sworn statements covering such water Producing facility,
21 Watermaster may cause an investigation and report to be made concerning the
22 same. Watermaster may fix the amount of water Production from such facility at
23 an amount not to exceed the maximum Production capacity thereof, provided,
24 however, where a Watermaster tested water measuring device is permanently
25 attached to such facility, the record of Production as so disclosed by such
26 measuring device shall be presumed to be accurate and the burden of proof shall
27 be upon Watermaster to establish the contrary.
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1 A determination by Watermaster that a Producer has under
2 reported Production shall require Watermaster to give written notice thereof to
3 such Producer by mailing such notice to his designee, at the address shown by
4 Watermaster records. A determination of under reporting made by Watermaster
5 shall be conclusive on any Producer who has Produced water from the facility in
6 question and the Watermaster Assessments based thereon, together with
7 interest as set forth in Section 19 (b) hereof, shall be payable forthwith, unless
8 such Producer shall file with Watermaster within ten (10) days after the mailing of
9 such notice, a written protest setting forth the ground or grounds for protesting
10 the amount of Production so fixed or the Assessments and interest thereon.

11 Upon the filing of such protest, Watermaster shall hold a hearing at
12 which time the total amount of water Production and the Assessments and
13 interest thereon shall be determined, which action shall be conclusive if based
14 upon substantial evidence. A notice of such hearing shall be mailed to protestant
15 at least ten (10) days before the date fixed for the hearing. Notice of the
16 determination by the Watermaster at the close of such hearing shall be mailed to
17 the protestant. The Producer shall have twenty (20) days from the date of
18 mailing of such notice to pay the Assessments fixed by Watermaster and interest
19 thereon, as fixed herein, before the same becomes delinquent.

20 (c) Delinquent Assessments; Interest; Costs; and Attorney's Fees.

21 Watermaster may bring suit in the Court having jurisdiction against any Producer
22 of water from the Basin or Relevant Watershed for the collection of any
23 delinquent Assessment and interest thereon. The Court having jurisdiction of the
24 suit may, in addition to any delinquent Assessment, award interest and
25 reasonable costs, including attorney's fees.

26 22. Information Concerning Offers to Purchase, Sell or Lease Water Rights.

27 Watermaster shall maintain a record of any offer to purchase, sell or lease water rights
28 reported to Watermaster, for the purpose of encouraging the orderly transfer of such

1 rights by acting as a clearing house for such information. Any person desiring to
2 purchase, sell, or lease such rights may examine such Watermaster records.

3 23. Watermaster Control of Spreading and Ground Water Storage. Except for
4 the exercise of non-consumptive uses, no party shall spread water within the Basin or
5 Relevant Watershed for subsequent recovery or Watermaster credit without prior
6 Watermaster written permission to do so because Watermaster has sole custody and
7 control of all Ground Water storage rights in the Basin.

8 (a) Replacement Water and Cyclic Storage Deliveries. Deliveries of
9 water for replenishment or cyclic storage shall be made either pursuant to
10 Watermaster's duly authorized order for Replacement Water or in accordance
11 with terms and conditions of a valid Cyclic Storage Agreement with Watermaster.
12 All such water deliveries shall be subject to the conditions and priorities set forth
13 in Section 26 herein.

14 (b) Storage of Water for Export. As provided in Section 34(r) of the
15 Judgment, any party may enter into an agreement with Watermaster to store
16 Supplemental Water and export said stored Supplemental Water under specific
17 terms and conditions approved by Watermaster. Such storage and export shall
18 be subject to (1) a determination by Watermaster that no material injury to the
19 Basin or parties will result therefrom; (2) execution of an agreement with
20 Watermaster setting forth the terms and conditions upon which water may be
21 stored in or exported from the Basin; and (3) compliance with Watermaster Rules
22 and Regulations respecting Basin storage and export. In accordance with
23 Section 45(b)(6) of the Judgment; Watermaster shall levy an assessment to
24 account for costs, burdens or losses incurred in connection with such exported or
25 stored water, including a fee for storage administration. Such storage or export
26 shall be subject to the "Policy/Criteria for Agreement for Storage and Export of
27 Supplemental Water" as appended hereto.
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1 (c) Supplemental Water Quality. In an effort to prevent degradation of
2 Basin groundwater quality, and in accordance with Section 40 of the Judgment,
3 Watermaster may establish criteria for the quality of Supplemental Water
4 delivered for Basin replenishment or Cyclic Storage. Such criteria shall consider
5 applicable Basin Plan objectives as set forth by the California Regional Water
6 Quality Control Board - Los Angeles Region, but shall also balance the need to
7 maintain adequate water supplies with the need to preserve Basin water quality.

8 Watermaster may review and update its Criteria for Supplemental
9 Water Quality as needed to address changes in regulations or hydrologic
10 conditions. Watermaster shall provide the Responsible Agencies with at least 30
11 days notice of its intent to adopt or modify such criteria, along with the proposed
12 draft or changes, and shall consider comments from those agencies prior to
13 adoption. Watermaster shall also provide the Responsible Agencies with the
14 final, adopted Criteria for Supplemental Water Quality.

15 24. Watermaster Annual Report. Watermaster shall annually file with the
16 Court and deliver to the parties a report of all Watermaster activities during the
17 preceding Fiscal Year, including an audited statement of all accounts and financial
18 activities of Watermaster, summaries of Diversions and Pumping, and all other pertinent
19 information. To the extent practical, said report shall be delivered to all parties and filed
20 with the Court on or before November 1 of each Year.

21 25. Watermaster Stipulation Re Intervention After Judgment. Attached hereto
22 and marked "Exhibit E" is a form of Stipulation for Intervention After Judgment which
23 Watermaster will execute, file with the Court if accompanied by the necessary filing fee,
24 obtain a Court hearing date thereon, give Notice thereof and attempt to obtain an
25 approving Court Order thereon.

26 26. Uniform Rules and Conditions of Cyclic Storage Agreements.

27 (a) Application for Cyclic Storage Agreements. Any person or entity,
28 private or public, desiring to spread and store Supplemental Water within the

1 Basin for subsequent recovery and use or for Watermaster credit shall make
2 application to Watermaster for a Cyclic Storage Agreement pursuant to these
3 Uniform Rules and Conditions. Watermaster shall have first call on Supplemental
4 Water for Replacement Water, Make-up Water and for the "Alhambra Exchange"
5 before such water is made available for Cyclic Storage Agreements.

6 (b) Purpose of Cyclic Storage Agreements. All Cyclic Storage
7 Agreements shall be for the utilization of Ground Water storage capacity of the
8 Basin and for cyclic or regulatory storage of Supplemental Water.

9 (c) Available Storage Capacity. In considering the available Ground
10 Water storage capacity of the Basin for such Agreements, Watermaster shall take
11 into account the operation of the Basin under the Physical Solution provisions of
12 the Judgment.

13 (d) Provisions of Cyclic Storage Agreements. Any such Agreement
14 shall include provisions for:

15 (1) Watermaster control of all spreading (or injection) and
16 extraction scheduling and procedures for such stored waters:

17 a) The time, place, and amount of said spreading shall
18 be approved in advance by Watermaster.

19 (2) Calculations by Watermaster of any special costs, damages
20 or burdens resulting from such operation;

21 (3) Priorities for Cyclic Storage Agreements in the following
22 order:

23 a) Responsible Agencies on the basis of their relative
24 requirements for Replacement Water within their respective
25 corporate boundaries,

26 b) Other parties on the basis of priority of application to
27 Watermaster for such Agreements, and

28 c) Non-parties;

1 (4) Determinations by Watermaster of, and accounting for, all
2 losses in stored water, assuming that such stored water floats on top of
3 the Ground Water supplies, and accounting for all losses of water which
4 otherwise would have replenished the Basin. Such losses of stored water
5 shall be assigned by Watermaster as follows:

6 a) First losses by non-parties in the reverse priority of the
7 earliest original dates of their respective Cyclic Storage
8 Agreements, to the whole of such non-parties' stored water,

9 b) The next losses by parties who are not Responsible
10 Agencies in reverse priority of the earliest original dates of their
11 respective Cyclic Storage Agreements, to the whole of their stored
12 water, and

13 c) The last losses by Responsible Agencies to be shared
14 on the basis of water actually in storage in the Basin at the time of
15 the loss of such stored water;

16 (5) The priorities for spreading of Supplemental Water are
17 hereby established as follows, in the order of their priority:

18 First: Supplemental Water ordered by
19 Watermaster from Responsible
20 Agencies for direct delivery to the Basin
21 as Replacement Water,

22 Second: Supplemental Water for
23 delivery to the Basin for storage under
24 Cyclic Storage Agreements between
25 Watermaster and Responsible Agencies
26 whereby such Supplemental Water will
27 not be exported from the Basin. In the
28 event that more than one Responsible

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Agency wishes to deliver water to Cyclic Storage simultaneously and there is inadequate spreading capacity available, deliveries by each Responsible Agency so desiring to deliver Supplemental Water shall be scheduled so that the total quantity of water in Cyclic Storage of those Agencies can be increased proportionately in percent of their maximum allowed Cyclic Storage, Third: Supplemental Water for delivery to Individual Cyclic Storage accounts of parties to the Judgment whereby such Supplemental Water will not be exported from the Basin. In the event that more than one party wishes to deliver water to such Cyclic Storage accounts simultaneously and there is inadequate spreading capacity available, deliveries for each such party shall be scheduled so that the total quantity of water in such parties' Individual Cyclic Storage accounts can be increased proportionately in percent of their maximum allowed Cyclic Storage, and Fourth: Supplemental Water for delivery to the Basin for storage under Cyclic Storage Agreements between

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Watermaster and Responsible Agencies,
whereby Supplemental Water may be
exported from the Basin.

Fifth: Supplemental Water for delivery
to Individual Cyclic Storage Accounts of
parties to the Judgment whereby such
Supplemental Water may be exported
from the Basin.

Sixth: Non-parties as established by
Watermaster at the time; and

(6) Payment to Watermaster for the benefit of parties in said
action of all special costs, damages or burdens incurred (without any
charge, rent, assessment or expense as to parties to said action by reason
of the adjudicated proprietary character of said storage rights, nor credit
for offset for benefits resulting from such storage); provided, no party shall
have any direct interest in or control over such contracts or the operation
thereof by reason of the adjudicated right of such party. Watermaster has
sole custody and control of all Ground Water storage rights in the Basin
pursuant to the Physical Solution in the Judgment and all said Agreements
are subject to review and approval of the Court.

(e) Terms of Cyclic Storage Agreements and Extensions. The term of
such Agreements shall not exceed five (5) years but may be extended for
additional terms, not to exceed five (5) years each, provided Watermaster shall
report its intention to consider an extension of any such Agreement in minutes of
its meeting held prior to its meeting when any such extension request shall be
acted upon.

1 (f) Maximum Storage. Such Agreements shall fix the maximum
2 amount of Supplemental Water to be stored in the Basin at any point in time by a
3 particular storing entity.

4 (g) Watermaster to be Held Harmless. The storing entity of such
5 Agreement shall save and hold harmless Watermaster, its officers, agents and
6 employees from any and all costs, damages or liability resulting from said
7 Agreement and shall provide Watermaster with the defense or costs of the
8 defense of any action brought against Watermaster, its officers, agents or
9 employees arising or alleged to arise by reason of such Agreement for storage of
10 Supplemental Water in the Basin.

11 (h) Reports of Stored Water. The storing entity, if not a Producer, shall
12 quarterly report to Watermaster the amount of Supplemental Water which it
13 spreads and withdraws each quarter under such Agreement. Such reports shall
14 be due on the last day of the month next succeeding the end of the relevant
15 quarter, i.e. April 30, July 31, October 31, and January 31. Such reports shall be
16 cumulative and shall indicate the credit balance of the relevant quarter. If the
17 storing entity is a Producer storing water pursuant to an Individual Producer
18 Cyclic Storage Account whereby Watermaster has purchased the stored water on
19 the Producer's behalf and credited the Producer's account, then Watermaster
20 shall provide the Producer with a quarterly accounting of storage credit in the
21 regular quarterly production report form. The Producer shall be responsible for
22 verifying the credit and notifying Watermaster of any dispute or discrepancy.

23 (i) Court Approval of Cyclic Storage Agreements. Upon its approval of
24 a Cyclic Storage Agreement, Watermaster shall Petition the Court for approval
25 thereof and said Agreement shall become effective only upon such Court
26 approval.

1 27. Responsible Agency from Whom Watermaster Shall Purchase

2 Replacement Water.

3 (a) Responsible Agencies. There are three Responsible Agencies
4 within or partially within the Basin. Two of such Agencies, Upper San Gabriel
5 Valley Municipal Water District (Upper District) and Three Valleys Municipal
6 Water District (Three Valleys District) are member agencies of The Metropolitan
7 Water District of Southern California (Metropolitan) and supply Watermaster with
8 Replacement Water purchased from Metropolitan. The third Responsible Agency
9 is San Gabriel Valley Municipal Water District (San Gabriel District) which has
10 contracted with the State of California and has constructed facilities to deliver
11 water from the State Water Project and, thus, can directly supply Watermaster
12 with Replacement Water.

13 (1) Availability of Supplemental Water from Responsible
14 Agencies. If any Responsible Agency shall, for any reason, be unable to
15 deliver Supplemental Water to Watermaster in a timely fashion when
16 needed, Watermaster may (1) collect funds at an appropriate level and
17 hold them in trust, together with interest accrued thereon, for purchase of
18 such water when available; (2) purchase water from the remaining
19 Responsible Agencies which are the most beneficial and appropriate
20 sources observing all legal and contractual constraints on the availability of
21 such water; or (3) purchase Supplemental Water from any other available
22 source. Watermaster shall consult with the Responsible Agencies
23 involved and in good faith shall determine the appropriate source of
24 Supplemental Water under such circumstances. Should Watermaster
25 arrange to purchase Supplemental Water from a source not involving a
26 Responsible Agency, Watermaster shall provide the Responsible
27 Agencies an opportunity to provide said Supplemental Water or
28 comparable water supplies on comparable terms.

1 (b) Water Used Within the Basin. For water used within the Basin, the
2 Responsible Agency within whose boundaries is located the place of use of water
3 Produced from the Basin will determine the Responsible Agency from whom
4 Watermaster shall purchase Replacement Water.

5 (c) Water Exported from the Basin. Except for water Produced from
6 the Basin and used within the City of Sierra Madre (for which San Gabriel District
7 shall be the Responsible Agency), the place of such Production of water exported
8 from the Basin shall determine the Responsible Agency from whom Watermaster
9 shall purchase Replacement Water.

10 (d) Computations of the Amount of Replacement Water to be
11 Purchased from Responsible Agencies. In computing the amount of
12 Replacement Water to be provided by a Responsible Agency, Watermaster shall:

13 (1) Determine the Replacement Water requirement of each party
14 to the Judgment and apportion such Replacement Water requirement as
15 required in (b) and (c) above;

16 (2) Calculate the total Replacement Water requirement for each
17 Responsible Agency as determined in (1) above;

18 (3) Tabulate Interagency Transfers of water rights as described
19 in (e) (1) below;

20 (4) Calculate the Net Interagency Transfer adjustment as
21 described in (e) (2) below;

22 (5) Determine the adjusted Replacement Water requirements,
23 calculated for each Responsible Agency as required in (e) below; and

24 (6) Determine the effect of deferred Replacement Water
25 requirements as calculated in (h) below.

26 (e) Net Interagency Transfer Adjustment and Replacement Water
27 Requirement. Replacement Water requirements as heretofore calculated shall
28 be modified by a "Net Interagency Transfer Adjustment." "Interagency Transfer"

1 shall mean the aggregate amount of Production Right resulting from the
2 temporary transfer of all or a portion of a Pumper's Share of Operating Safe
3 Yield, or a Base Annual Diversion Right, or the Diversion Component or Pumping
4 Component of an Integrated Production Right for use within the boundaries of a
5 Responsible Agency other than the Responsible Agency within which such water
6 rights were developed and adjudicated.

7 The annual Replacement Water requirement resulting from Net
8 Interagency Transfers for each Responsible Agency shall be calculated as
9 follows:

10 (1) Net Interagency Transfers shall be calculated for each
11 Responsible Agency as the difference between such rights transferred for
12 use outside or partially outside that Responsible Agency and such rights
13 transferred for use within or partially within that Responsible Agency.

14 (2) Tabulate the total Interagency Transfers of water rights,
15 calculated for each of the Responsible Agencies in (1) above. The sum of
16 said total Interagency Transfers for each of the three Responsible
17 Agencies is that Responsible Agency's Net Interagency Transfer
18 Adjustment. The total of such adjustments for all Responsible Agencies
19 shall equal zero. The Responsible Agency(s) having a positive amount
20 shall have this Net Interagency Transfer Adjustment added to the
21 Replacement Water requirement computed for it in (d) (2) above. The
22 Responsible Agency(s) having a negative amount shall have this Net
23 Interagency Transfer Adjustment subtracted from the Replacement Water
24 requirement calculated for it in (d) (2) above.

25 (f) Special Provisions.

26 (1) The Replacement Water requirement calculated for each of
27 the Responsible Agencies in (e) (2) above cannot exceed the total quantity
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1 of Replacement Water obligation calculated for all Responsible Agencies,
2 and/or;

3 (2) If the Replacement Water requirement calculated in (e) (2)
4 above results in a negative value, that negative value shall be adjusted to
5 zero, as described in (h) below.

6 (g) Special Provisions Re Alhambra Exchange. An adjustment shall be
7 made to San Gabriel District's calculated Replacement Water requirement, if
8 necessary, to allow Upper District to deliver an amount of Replacement Water to
9 the City of Alhambra equal to the quantity delivered through connection USG-5
10 for the previous year, the year in which the Replacement Water requirement was
11 incurred.

12 (h) Adjustments to Calculated Replacement Water Requirements.
13 Adjustments to Replacement Water requirements resulting from the calculations
14 in (f) (2) or (g) above shall be apportioned as follows:

15 (1) As between Upper District and Three Valleys District, the
16 district with a negative value shall have added to it an amount sufficient to
17 equal zero, that amount shall be subtracted from the Replacement Water
18 requirement of the other Responsible Agency, but it shall not be reduced
19 to less than zero. If a negative balance still exists, then it shall be
20 subtracted from San Gabriel District.

21 (2) If San Gabriel District's Replacement Water requirement is
22 less than zero, it shall be adjusted to zero by deducting equal amounts of
23 San Gabriel District's adjustment from both Upper District and Three
24 Valleys District.

25 (3) All adjustments shall be accumulated in a Deferred
26 Replacement Water Requirement Account for each of the Responsible
27 Agencies. In future years when deliveries of Replacement Water may be
28 made by a Responsible Agency, up to the amount, or any portion of the

1 amount, in the Deferred Replacement Water Requirement Account, such
2 deliveries will be equally subtracted from the Replacement Water
3 requirement of the Responsible Agency(s) from which it was derived in
4 (1) and/or (2) above for that year so long as such deliveries shall not
5 cause total deliveries of all Responsible Agencies to exceed the amounts
6 provided for in paragraph (f) (1) and/or paragraph (f) (2) above. At the
7 time that deliveries are made by a Responsible Agency from its Deferred
8 Replacement Water Requirement Account, Watermaster shall pay to that
9 Responsible Agency its price prevailing at that time for Replacement
10 Water.

11 (i) Advanced Delivery Account. Whenever the total quantity calculated
12 in (e) (1) above, is less than that delivered to the City of Alhambra through USG-5
13 for the previous year, an accounting of the difference shall be maintained in an
14 "Advanced Delivery Account" and such difference, or as much as possible
15 thereof, shall be subtracted from the Replacement Water Requirement of Upper
16 District in the next year when an obligation to deliver Replacement Water exists
17 for Upper District.

18 28. Ground Water Quality Management. The Watermaster, Upper District,
19 San Gabriel District, and San Gabriel Valley Water Association, through a Joint
20 Resolution dated February-March 1989, affirmed their commitment to participate in a
21 coordinated federal, state and local response to contamination of Ground Water
22 supplies of the Basin for both the purpose of preventing additional contamination and
23 the purpose of cleaning up and limiting the spread of existing contamination. The
24 entities adopting that Joint Resolution designated and accepted Watermaster as the
25 entity to coordinate local involvement in the efforts to preserve and restore the quality of
26 Ground Water within the Basin. Watermaster sought and received additional powers
27 from the Court to regulate extractions of water from the Basin for water quality control
28 purposes, and this Section 28 is to implement the same. These efforts shall be that any

1 New or Increased Extraction to meet water needs from the Basin shall include planned
2 treatment in existing areas of High Level Degradation or Contamination. An important
3 part of exercising these additional powers and coordinating federal, state and local
4 responses to contamination of the Basin's water supplies is the collection and
5 compilation of essential data from Producers and the expeditious distribution of such
6 data to the proper state and federal regulatory agencies involved in water quality
7 matters in the Basin

8 (a) Watermaster Approvals. Each Producer shall, after the effective
9 date of this amendment to these Rules and Regulations (June 28, 1991), apply to
10 Watermaster, on forms provided by Watermaster, for a permit to do any of the
11 following:.

- 12 -- Construct any well;
- 13 -- Deepen any existing well;
- 14 -- Modify the perforations of the casing of any existing well;
- 15 -- Notwithstanding natural fluctuations in Basin water levels, physically
16 increase or decrease the Effective Extraction Capacity of any existing
17 well, including that which may occur due to installation or modification
18 of pipelines, booster pumps or other distribution system components,
19 as of said effective date of these Rules and Regulations;
- 20 -- Abandon any existing well; or
- 21 -- Construct, relocate or abandon Ground Water Treatment Facilities.

22 Such application will be acted upon by Watermaster no later than at its first
23 regular meeting following sixty (60) days after receipt of the complete application.
24 If an emergency exists, Watermaster shall expedite its actions to the maximum
25 extent practicable.

26 (b) Watermaster Directed Change in Water Production.

27 (1) Based on available data, Watermaster's Five-Year Plan,
28 and/or Ground Water modeling, Watermaster will, for water quality protection

1 purposes, direct any Producer to increase, decrease or cease Production from
2 existing wells, initiate new well Production or deliver water to or accept water
3 from another water system or direct a Producer to obtain water from another
4 source in-lieu of Pumping from its own wells, or take other appropriate actions in
5 compliance with an approved Watermaster plan by giving such Producer
6 advanced written notice thereof, specifying a time certain for compliance.

7 (2) The increase in cost to a Producer resulting from a
8 Watermaster directed change in water Production shall not be borne by the
9 Producer, but will be reimbursed to the Producer by Watermaster through In-Lieu
10 Water Assessments levied by Watermaster, unless such funding is made
11 available from other sources such as federal, state or local governmental entities
12 or by those found to be responsible for the contamination in the Basin which
13 caused Watermaster to direct the change in Production by the Producer.

14 (c) Producer Data, Initial Submittal. After June 28, 1991, Producers
15 shall submit, within sixty (60) days of Watermaster's request, initial data in a form
16 acceptable to Watermaster, to update and ensure the accuracy of the existing
17 Basin database. The data shall include:

18 (1) Identification and location of all Active, Inactive or
19 Abandoned Wells;

20 (2) Water quality data concerning organic compounds, nitrates
21 and any other water quality parameters as specified by Watermaster,
22 including all data from other sampling Producers may conduct in addition
23 to governmental requirements;

24 (3) Available construction details of each well owned or operated
25 by Producer, as well as all logs (driller's, electric, etc.);

26 (4) Depths or zones from which water is extracted from each
27 well, if available; and
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1 (5) A current map of the main water transmission system of
2 Producer's distribution system showing the location and sizes of
3 transmission mains and storage reservoirs, all interconnections with other
4 systems and their sizes and capacities, and any other data pertinent to the
5 transmission (but not distribution to customers) of water through the
6 Producer's system.

7 (d) Quarterly Reports. After the initial submittal of data per
8 subparagraph (c) above, the following data shall be submitted by all Producers to
9 Watermaster quarterly, on or before the last day of January, April, July and
10 October:

11 (1) Chemical water quality data collected during the quarter and
12 provided to any state, federal or local public agency;

13 (2) Data described under Section 28 (c) (3), (4) and (5) hereof
14 which supplement, amend or change the data previously submitted by a
15 Producer; and

16 (3) All data from other sampling which Producers may conduct
17 in addition to governmental requirements.

18 (e) Operating Principles. Any New or Increased Extraction by a
19 Producer in the Basin to meet water supply needs shall have prior Watermaster
20 approval, shall not contribute to contaminant migration, and shall include planned
21 treatment in existing areas of High-level Degradation and Contamination. In
22 giving such approval, Watermaster shall consider the cumulative effects of
23 multiple actions by all Producers in the area of concern by using available
24 information, the Five-Year Plan, and Ground Water modeling. If Watermaster
25 determines that a proposed new well is a Replacement Well and is not a New or
26 Increased Extraction, the requirement for Planned Treatment in existing areas of
27 High-level Degradation and Contamination may be waived.

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1 (f) Emergency Exemptions. Where a Producer's water supply or water
2 quality problem is so urgent that the viable option for maintaining an adequate
3 short-term supply that meets drinking water standards involves an action in
4 conflict with the operating principles outlined in Section 28 (e) hereof,
5 Watermaster may approve a short-term action contingent upon the Applicant
6 Producer concurrently submitting an acceptable long-term action plan with
7 acceptable deadlines for implementation. In general, the long-term action plan
8 must be approved prior to or concurrently with the short-term action.

9 (g) Water Quality and Supply Plans. To assure that Pumping does not
10 lead to further degradation of water quality in the Basin, a Five-Year Water
11 Quality and Supply Plan must be prepared and updated annually by
12 Watermaster, projecting water supply requirements and water quality conditions
13 for each period of five (5) calendar years beginning November 1, 1991, and each
14 November 1 thereafter. This Plan will also include a water quality monitoring
15 element to obtain supplemental information as needed to assist in projecting
16 contamination levels. Watermaster will supply the Producers with projections of
17 contaminant migration by June 1 of each year for the preparation of these Water
18 Quality and Supply Plans.

19 Each purveyor of potable water produced from the Basin shall
20 submit the following information to Watermaster by July 31 of each year:

21 (1) Projected quarterly water supply requirements for each of the
22 following five calendar years and the proposed pumping rates, in gallons
23 per minute, for each well;

24 (2) Identification of each Production well known to contain
25 contaminants and the contaminant levels;

26 (3) Proposed methods for meeting the water supply
27 requirements of the system if contaminant levels are, or are projected by
28 Watermaster to become, greater than drinking water standards; and

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(4) Any intended treatment facility.

Watermaster shall analyze the information submitted by Producers and develop an overall draft Basin Water Quality and Supply Plan. A draft Plan will be submitted by Watermaster to the Los Angeles Regional Water Quality Control Board, and for public review and comment per Section 28 (i) hereof, by November 1. Appropriate modifications resulting from comments received will be reflected in the final draft, and a staff report providing an explanation of decisions will be made available.

(h) Ground Water Treatment Facilities.

(1) Producers in the Basin shall notify Watermaster in advance at the initial stages of planning of their intent to construct any Facility to remove volatile organic compounds (VOCs), nitrates, or other contaminants from water Produced from the Basin. Such notice shall include the following information:

- the intended location and a description of the Treatment Facility;
- the water production capacity;
- the rate of contaminant removal capacity;
- the expected concentration of all identified contaminants in the water to be treated;
- the expected concentration of all identified contaminants in the water after treatment;
- the intended disposition of all water to be treated;
- the expected initiation date and period of time over which the Treatment Facility will operate; and
- the expected capital and operating costs of the Treatment Facility.

(2) In addition, the Producer shall describe all necessary permits and/or all permits for which it has applied or has received from all

1 regulatory agencies with regard to such Treatment Facility and shall
2 supply to Watermaster copies of all environmental documents required
3 under the California Environmental Quality Act and/or the National
4 Environmental Protection Act. No construction of such Treatment
5 Facilities shall be initiated without the prior written approval of
6 Watermaster. Watermaster shall promptly examine each submittal for
7 compatibility with available information, the Five-Year Plan and the
8 operating principles, and notify the Applicant of its findings and decision
9 regarding such proposed Treatment Facility no later than at its first regular
10 meeting following sixty (60) days after receipt of a complete submittal by
11 the Producer. Watermaster will also report its determination to the Los
12 Angeles Regional Water Quality Control Board.

13 (3) All operators of Treatment Facilities shall report quarterly to
14 Watermaster at least the following information:

- 15 - name or other designation of the Treatment Facility;
- 16 - quantity of water treated during quarter;
- 17 - quantity of each contaminant removed;
- 18 - quality of water before treatment, at beginning and end of each
19 quarter;
- 20 - quality of water after treatment, at beginning and end of each
21 quarter; and
- 22 - operation and maintenance costs for each quarter.

23 (i) Decision Making Process. Hearings and Appeals.

24 (1) All Watermaster determinations relating to the control of
25 Pumping for water quality purposes shall be based upon a staff
26 recommendation and information and recommendations received from or
27 furnished by affected Producers. Staff's recommendation shall result from
28 staff's analysis of information presented by interested parties, all available

1 water quality data, Watermaster's Five-Year Plan, Ground Water modeling
2 and other water quality trend analysis reports, and will be based on the
3 operating principles set forth in these rules. Staff shall provide supporting
4 data to document each recommendation that it makes to Watermaster.
5 After consideration of the staff recommendation and public comment
6 provided at the Watermaster meeting, Watermaster shall make a final
7 decision.

8 (2) Public hearings on Watermaster's draft annual Five-Year
9 Water Quality and Supply Plan will be held following a thirty (30) day
10 public review and comment period. A notice of the availability of such draft
11 will be sent to all parties to the Judgment as well as to all other interested
12 parties following the regular Watermaster meeting in November of each
13 year, along with a notice of the date, time and place of the public hearing,
14 to be scheduled not less than thirty (30) days after the mailing date of the
15 notice of availability of the draft Plan. A notice of public hearing will also
16 be published in the San Gabriel Valley's key local newspaper(s) at the
17 beginning of the public review period. Consideration of comments received
18 is described in Section 28 (g) hereof.

19 (3) Appeal of a Watermaster decision may be made to the
20 Watermaster who shall notice and consider the same at a public hearing.
21 Actions by the Watermaster are subject to review by the Court. Any party
22 may, by a regularly noticed motion, petition the Court for review of
23 Watermaster's action or decision. Notice of such motion shall be served
24 and filed within ninety (90) days after such Watermaster action or decision.

25 29. Watermaster-directed Groundwater Management Programs. Upon written
26 request by any party, or on recommendation of Watermaster staff, Watermaster may
27 initiate an investigation of existing or proposed pumping activities, groundwater levels,
28 recharge potential and other factors that influence groundwater supply in any specific

1 area of the Basin. Based on the findings of the investigation, and in accordance with
2 Section 40(a) of the Judgment, Watermaster may determine that a groundwater
3 management program is needed to assure equitable water supply availability to all
4 affected parties in the investigation area. Such a program may require that Producers
5 reduce pumping from one or more wells, take water from another source in lieu of
6 pumping groundwater, or a combination of those and/or other measures; however, no
7 program adopted by Watermaster pursuant to this section shall effect a modification or
8 amendment of the quantities specified in the declared rights of any party under the
9 Judgment.

10 If Watermaster determines such a management program is needed within a
11 specific area of the Basin, Watermaster will develop the program with review and
12 comment by affected parties, and will first attempt to facilitate its implementation through
13 voluntary agreements among the various affected parties. Watermaster may also
14 participate in such agreements as appropriate, subject to court approval.

15 If any affected party refuses voluntary participation in the groundwater
16 management program, or if the affected Parties cannot reach agreement within a
17 reasonable time not to exceed 12 months from the date that Watermaster receives the
18 draft program at a regular meeting, Watermaster will consider adoption of the program
19 at a duly noticed public hearing and, if the program is adopted, will seek court approval
20 of the program as part of the Watermaster Operating Criteria set forth in the Judgment.
21 Watermaster will implement the program upon court approval and may use funds
22 collected through the In-lieu Assessment to reimburse a Producer for costs incurred
23 beyond normal operating costs to comply with the Watermaster-directed groundwater
24 management program.

25 30. Purchase Water Plan. On or before November 1 of each year,
26 Watermaster shall prepare and distribute to the Responsible Agencies a three-year
27 projection of its supplemental water purchases from each agency. Watermaster shall, to
28 the extent feasible, coordinate the tentative schedule for delivery and payment of those

1 purchases with each Responsible Agency. Such three-year projection shall be in
2 accordance with the "Policy/Criteria for Three-year Purchased Water Plan" as appended
3 hereto.

4 31. Export Agreements. Any party may enter into an agreement with
5 Watermaster to store Supplemental Water and export said stored Supplemental Water
6 under specific terms and conditions approved by Watermaster. Such export shall be in
7 accordance with the "Policy/Criteria for Agreement for Storage and Export of
8 Supplemental Water".

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1 delivered or substituted to, for, or taken by such Producer in-lieu of his cost of otherwise
2 normally producing a like amount of Ground Water.

3 (m) Judgment -- Judgment entered in Los Angeles Superior Court Civil Action
4 No. 924128, entitled "Upper San Gabriel Valley Municipal Water District v. City of
5 Alhambra, et al.," as amended.

6 (n) Key Well -- Baldwin Park Key Well, being elsewhere designated as State
7 Well No. IS/IOW-7R2, or Los Angeles County, Department of Public Works, Well No.
8 3030-F. Said well has a ground surface elevation of 386.7.

9 (o) Long Beach Case -- Los Angeles Superior Court Case No. 722647,
10 entitled "The Board of Water Commissioners of the City of Long Beach, et al, v. San
11 Gabriel Valley Water Company, et al."

12 (p) Main San Gabriel Basin or Basin -- The Ground Water Basin underlying
13 the area shown as such on Exhibit "A" of the Judgment.

14 (q) Make-up Obligation -- The total cost of meeting the obligation of the Basin
15 to the area at or below Whittier Narrows, pursuant to the Judgment in the Long Beach
16 Case.

17 (r) Minimal Producer -- Any Producer whose Production in any Fiscal Year
18 does not exceed five (5) acre-feet.

19 (s) Natural Safe Yield -- The quantity of natural water supply which can be
20 extracted annually from the Basin under conditions of the long-term average annual
21 supply, net of the requirement to meet downstream rights as determined in the Long
22 Beach Case (exclusive of Pumped export), and under cultural conditions as of a
23 particular year.

24 (t) Operating Safe Yield -- The quantity of water which Watermaster
25 determines may be Pumped from the Basin in a particular Fiscal Year, free of the
26 Replacement Water Assessment under the Physical Solution of the Judgment.

27 (u) Overdraft -- A condition wherein the total annual Production from the Basin
28 exceeds the Natural Safe Yield thereof.

1 (v) Overlying Rights -- The right to Produce water from the Basin for use on
2 Overlying Lands, which rights are exercisable only on specifically defined Overlying
3 Lands and which cannot be separately conveyed or transferred apart therefrom.

4 (w) Physical Solution -- The Court-decreed method of managing the waters of
5 the Basin so as to achieve the maximum utilization of the Basin and its water supply,
6 consistent with the rights declared in the Judgment.

7 (x) Prescriptive Pumping Right -- The highest continuous extraction of water
8 by a Pumper from the Basin for beneficial use in any five (5) consecutive years after
9 commencement of Overdraft and prior to filing of the action, as to which there has been
10 no cessation of use by that Pumper during any subsequent period of five (5)
11 consecutive years prior to the filing of said action.

12 (y) Produce or Producing -- To Pump or Divert water from the Basin.

13 (z) Producer -- A party who Produces water from the Basin.

14 (aa) Production -- The annual quantity of water Produced from the Basin,
15 stated in acre-feet.

16 (bb) Pump or Pumping -- To extract ground water from the Basin by Pumping
17 or by any other method.

18 (cc) Pumper -- A party who Pumps water.

19 (dd) Pumper's Share -- A Pumper's right to a percentage of the entire Natural
20 Safe Yield, Operating Safe Yield and appurtenant Ground Water storage of the Basin.

21 (ee) Reclaimed Water -- Water which, as a result of treatment of waste, is
22 suitable for a direct beneficial use or a controlled use that would not otherwise occur.

23 (ff) Relevant Watershed -- That portion of the San Gabriel River Watershed
24 tributary to Whittier Narrows which is shown as such on Exhibit "A" to the Judgment and
25 the exterior boundaries of which are described in Exhibit "B" of the Judgment.

26 (gg) Replacement Water -- Water purchased by Watermaster to replace: (1)
27 Production in excess of a Pumper's Share of Operating Safe Yield; (2) the consumptive
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1 use portion resulting from the exercise of an Overlying Right; and (3) Production in
2 excess of a Diverter's right to Divert for Direct Use.

3 (hh) Responsible Agency -- The municipal water district which is the normal
4 and appropriate source from whom Watermaster shall purchase Supplemental Water for
5 replacement purposes under the Physical Solution of the Judgment, being one of the
6 following:

7 (1) Upper District -- Upper San Gabriel Valley Municipal Water District,
8 a member public agency of The Metropolitan Water District of Southern California
9 (MWD).

10 (2) San Gabriel District -- San Gabriel Valley Municipal Water District,
11 which has a direct contract with the State of California for State Project water.

12 (3) Three Valleys District -- Three Valleys Municipal Water District, a
13 member public agency of MWD.

14 (ii) Service -- Synonymous with the definition for Deliver.

15 (jj) Stored Water -- Supplemental Water stored in the Basin pursuant to a
16 Cyclic Storage Agreement with Watermaster as authorized by Section 34(n) of the
17 Judgment herein.

18 (kk) Supplemental Water -- Non-tributary water imported through a
19 Responsible Agency and reclaimed water or water obtained from other available
20 sources when water is not available in a timely fashion from a Responsible Agency.

21 (ll) Transporting Parties -- Any party who has transported water from the
22 Relevant Watershed or Basin to an area outside thereof within the Year immediately
23 preceding the entry of Judgment, and any party presently or hereafter having an interest
24 in lands or having a service area outside the Basin or Relevant Watershed contiguous to
25 lands in which it has an interest or a service area within the Basin or Relevant
26 Watershed. Division by a road, highway, or easement shall not interrupt contiguity. Said
27 term shall also include the City of Sierra Madre, or any party supplying water thereto, so
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1 long as the corporate limits of said City are included within one of the Responsible
2 Agencies.

3 (mm) Water Level -- The measured Elevation of water in the Key Well, corrected
4 for any temporary effects of mounding caused by replenishment or local depressions
5 caused by Pumping.

6 (nn) Year -- A calendar year, unless the context clearly indicates a contrary
7 meaning.

8 **The following are supplemental definitions relating to Section 28 of these**
9 **rules and regulations.**

10 (oo) New Extraction -- Any extraction from the Main San Gabriel Basin using a
11 well or other Ground Water extraction facility that becomes active for the first time for
12 water supply purposes on ,or after June 28, 1991.

13 (pp) Increased Extraction (Decreased) -- Any modification to an existing well or
14 extraction facility that physically increases (or decreases) the Effective Extraction
15 Capacity of that well or extraction facility. Such modifications may include: (1) changing
16 the well depth, (2) modifying the perforation intervals, (3) modifying the pump and/or
17 motor, (4) installing or modifying distribution pipelines, (5) installing or modifying booster
18 pumps, and (6) installing or modifying other distribution system components. Normal
19 maintenance work would be excluded.

20 (qq) Effective Extraction Capacity -- The actual capacity of a well or extraction
21 facility to extract Ground Water from the Basin using the pumping equipment and
22 system appurtenances in good working order as they existed on June 28, 1991.

23 (rr) Treatment Facility -- Any facility that provides treatment for contaminated
24 Ground Water in order to meet drinking water standards.

25 (ss) Planned Treatment -- A specific Treatment Facility with a designated
26 source of Ground Water supply and schedule for development.

27 (tt) Active Well -- Any well used or that could be used without modifications to
28 extract Ground Water.

1 (uu) Inactive Well -- Any well that is not in service at the time of filing of an
2 application hereinunder.

3 (vv) Abandoned Well -- A well that has been abandoned in accordance with the
4 provisions of state, county or local laws and regulations.

5 (wv) High-level Degradation and Contamination -- Ground Water containing
6 contaminants in excess of the federal or state maximum contaminant level. Some areas
7 of the Basin contain higher contaminant concentrations than others and Treatment
8 Facilities shall be planned to extract Ground Water from the higher level areas of
9 contamination in the Basin.

10 (xx) Replacement Well -- A new well that will replace an existing well due to
11 structural or mechanical failure, which is located in the same general vicinity and which
12 has the same physical characteristics (size, depth, perforation intervals) and design
13 extraction capacity as the well it is replacing.

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APPENDIX "B"

SUMMARY OF CRITICAL DATES AND ACTIONS FOR WATERMASTER

This summary of critical dates and actions for Watermaster is presented for the convenience of Watermaster members, the Parties and others in carrying out the provisions of the Court Judgment. It does not necessarily include all critical dates and actions under the Judgment.

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1 **SUMMARY OF CRITICAL DATES AND ACTIONS FOR WATERMASTER**

- 2 1. Watermaster members' terms of office.
3 January 1 – December 31.
- 4 2. Watermaster's first meeting in January.
5 (a) Election of Watermaster Chair and Vice-Chair (from Watermaster
6 membership) and selection of Secretary, Treasurer and assistants (who
7 may, but need not, be Watermaster members). Watermaster Rules and
8 Regulations, Section 6 (R/R 6)
9 (b) Order Engineering Report for Preliminary Determination of
10 Operating Safe Yield. (R/R 14(a))
- 11 3. January 31 - Quarterly Reports, as required by the Rules and Regulations,
12 of Production (R/R 13), Cyclic Storage (R/R 26(h)) and data required by
13 Section 28 (d), due to Watermaster.
- 14 4. March - Receive San Gabriel River Watermaster Report.
- 15 5. Watermaster's first meeting in April.
16 Watermaster shall make a Preliminary Determination of the Operating
17 Safe Yield of the Basin for the next five Fiscal Years and deliver a copy
18 thereof to all Parties at least ten (10) days prior to a hearing thereon and
19 which said hearing shall commence at Watermaster's first meeting in May.
20 (R/R 14(a))
- 21 6. April 30 - Quarterly Reports, as required by the Rules and Regulations, of
22 Production (R/R 13), Cyclic Storage (R/R 26(h)) and data required by
23 Section 28 (d), due to Watermaster.
- 24 7. Watermaster's first meeting in May.
25 (a) Hearing on Preliminary Determination for Watermaster to make
26 Final Determination of Operating Safe Yield. (R/R 14(b)) Within thirty (30)
27 days of the Final Determination of the Operating Safe Yield a copy of the
28 Final Report and Determination must be delivered to each Pumper and

1 Integrated Producer, including a statement of their entitlements under such
2 Determination. (R/R 14(c))

3 (b) Budget.

4 Adopt a proposed Administration Budget for the succeeding Fiscal Year
5 and within fifteen (15) days deliver a copy thereof together with a
6 statement of the level of the Administration Assessment levied by
7 Watermaster which will be collected for purposes of raising the necessary
8 funds for said budget. (R/R 18(a))

9 (c) Assessments.

10 In addition to the Administration Assessment, Watermaster shall levy the
11 Replacement Water Assessment, Make-up Obligation Assessment and
12 the In-lieu Water Assessments, if any. (R/R 19)

13 8. June 1 - Watermaster to supply Producers with projections of contaminant
14 migration by June 1. (R/R 28(g))

15 9. July - Authorize preparation of Annual Watermaster Report. Receive
16 tentative budget from San Gabriel River Watermaster.

17 10. July 31 - Quarterly Reports, as required by the Rules and Regulations, of
18 Production (R/R 13), Cyclic Storage (R/R 26(h)) and data required by
19 Section 28 (d), due to Watermaster. Producers of potable water from the
20 Basin must submit to Watermaster the data required by Section 28(g).

21 11. August 15 - On or before this date Watermaster must give written notice of
22 all applicable Assessments to all Parties. (R/R 19)

23 12. September 20 - All Assessments payable to Watermaster. (R/R 19(a))

24 13. September 30 - Must pay Upper Area share of San Gabriel River
25 Watermaster budget by this date.

26 14. October 1 - Deliver Notice of Nomination Election of Producer
27 representatives to be held at Watermaster's November meeting. (R/R
28 19(a))

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15. October 31 - Quarterly Reports, as required by the Rules and Regulations, of Production (R/R 13), Cyclic Storage (R/R 26(h)) and data required by Section 28 (d), due to Watermaster.

16. November

(a) Watermaster Annual Report filed with the Court and copies delivered to each party by November 1. (R/R 24)

(b) Draft Annual Five-Year Water Quality and Supply Plan under Section 28 (g) to be filed with the Los Angeles Regional Quality Control Board and circulated for public review and comment by November 1.

(c) Prior to Watermaster's meeting in November, nomination of Public Representatives to Watermaster by Upper District and San Gabriel District.

(d) Watermaster's meeting in November--election of six Producer Representatives for nomination to Watermaster. (R/R 9(b)) Petition Court for confirmation of nominees and give notice of hearing on Petition to all Parties. Within ninety (90) days of a vacancy on Watermaster, it shall be filled by nomination by Upper District or San Gabriel District if for a Public Representative and by a special election at a Watermaster meeting for a Producer Representative, after notice thereof to all Parties, and Watermaster Petition (and notice thereof to all parties) for Court confirmation of nominee. (R/R 10)

PERMANENT TRANSFER OF WATER RIGHTS - PRESCRIPTIVE PUMPING RIGHT

For a valuable consideration, receipt of which is hereby acknowledged, _____
_____ (“Seller”) does hereby assign and transfer in perpetuity to
_____, (“Buyer”) all rights to the quantity of
_____ acre-feet of the “Prescriptive Pumping Right” and the appropriate % of “Pumper’s Share”
adjudicated to Seller or his predecessor in the Judgment in the case of Upper San Gabriel Valley Municipal
Water District, v. City of Alhambra, et al, Los Angeles Superior Court No. 924128, together with all the
attendant rights, powers and privileges pertaining thereto.

(Check appropriate provision)

This transfer does does not include _____ acre-feet of “carry-over of unused rights”
associated with said transferred rights and in existence on the date hereof.

DATED: _____

BUYER

SELLER

(Signature)

(Signature)

Name of Designee (of Buyer) to receive
service of Processes and Notices:

Name of Designee (of Seller) to receive
service of Processes and Notices:

Address

Address

Telephone No.: _____

Telephone No.: _____

E-mail Address: _____

E-mail Address: _____

To be executed by both Buyer and Seller and, if separately requested by Watermaster, be accompanied by a map of the
service area where the water was used by Seller and a map of the service area where the water is intended to be used by
the Buyer.

(Have the appropriate individual(s) or corporate attached acknowledgments completed by both Buyer and Seller as part
of the transfer.)

A TRUE COPY HEREOF MUST BE FILED WITH WATERMASTER WITHIN 15 DAYS OF EXECUTION.

(To be accompanied by completed “Stipulation Re Intervention After Judgment” if Buyer is not a party to the Judgment)

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)§
COUNTY OF LOS ANGELES)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____ personally known to me _____ or, proved to me on the basis of satisfactory evidence to be the person(s) who executed the within Instrument as

_____, or on behalf of the Corporation therein named, and acknowledged to me that the Corporation executed it.

WITNESS my hand and official seal.

Signature _____

Name (Typed or Printed)
Notary Public in and for said
County and State

(SEAL)

INDIVIDUAL(S) ACKNOWLEDGMENT

STATE OF CALIFORNIA)§
COUNTY OF LOS ANGELES)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____ personally known to me _____ or, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) _____ subscribed to the within instrument and acknowledged to me that executed the same.

WITNESS my hand and official seal.

Signature _____

Name (Typed or Printed)
Notary Public in and for said
County and State

(SEAL)

PERMANENT TRANSFER OF WATER RIGHTS – BASE ANNUAL DIVERSION RIGHT

For a valuable consideration, receipt of which is hereby acknowledged, _____
_____ (“Seller”) does hereby assign and transfer in perpetuity to
_____, (“Buyer”) all rights to the quantity of
_____ acre-feet of the “Base Annual Diversion Right” adjudicated to Seller or his predecessor in
the Judgment in the case of Upper San Gabriel Valley Municipal Water District, v. City of Alhambra, et al,
Los Angeles Superior Court No. 924128, together with all the attendant rights, powers and privileges
pertaining thereto.

DATED: _____

BUYER

SELLER

(Signature)

(Signature)

Name of Designee (of Buyer) to receive
service of Processes and Notices:

Name of Designee (of Seller) to receive
service of Processes and Notices:

Address

Address

Telephone No.: _____

Telephone No.: _____

E-mail Address: _____

E-mail Address: _____

To be executed by both Buyer and Seller and, if separately requested by Watermaster, be accompanied by a map of the
service area where the water was used by Seller and a map of the service area where the water is intended to be used by
the Buyer.

(Have the appropriate individual(s) or corporate attached acknowledgments completed by both Buyer and Seller as part
of the transfer.)

A TRUE COPY HEREOF MUST BE FILED WITH WATERMASTER WITHIN 15 DAYS OF EXECUTION.

(To be accompanied by completed “Stipulation Re Intervention After Judgment” if Buyer is not a party to the Judgment)

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)§
COUNTY OF LOS ANGELES)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____ personally known to me _____ or, proved to me on the basis of satisfactory evidence to be the person(s) who executed the within Instrument as

_____, or on behalf of the Corporation therein named, and acknowledged to me that the Corporation executed it.

WITNESS my hand and official seal.

Signature _____

Name (Typed or Printed)
Notary Public in and for said
County and State

(SEAL)

INDIVIDUAL(S) ACKNOWLEDGMENT

STATE OF CALIFORNIA)§
COUNTY OF LOS ANGELES)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____ personally known to me _____ or, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) _____ subscribed to the within instrument and acknowledged to me that executed the same.

WITNESS my hand and official seal.

Signature _____

Name (Typed or Printed)
Notary Public in and for said
County and State

(SEAL)

PERMANENT TRANSFER OF WATER RIGHTS – INTEGRATED PRODUCTION RIGHT

For a valuable consideration, receipt of which is hereby acknowledged, _____
_____ (“Seller”) does hereby assign and transfer in perpetuity to
_____, (“Buyer”) all rights to the quantity of
_____ acre-feet of the “Diversion Component” adjudicated to Seller or his predecessor in the
Judgment in the case of Upper San Gabriel Valley Municipal Water District, v. City of Alhambra, et al, Los
Angeles Superior Court No. 924128, together with all the attendant rights, powers and privileges pertaining
thereto.

(Check appropriate provision)

This transfer does does not include _____ acre-feet of “carry-over of unused rights”
associated with said transferred rights and in existence on the date hereof.

DATED: _____

BUYER

SELLER

(Signature)

(Signature)

Name of Designee (of Buyer) to receive
service of Processes and Notices:

Name of Designee (of Seller) to receive
service of Processes and Notices:

Address

Address

Telephone No.: _____

Telephone No.: _____

E-mail Address: _____

E-mail Address: _____

To be executed by both Buyer and Seller and, if separately requested by Watermaster, be accompanied by a map of the
service area where the water was used by Seller and a map of the service area where the water is intended to be used by
the Buyer.

(Have the appropriate individual(s) or corporate attached acknowledgments completed by both Buyer and Seller as part
of the transfer.)

A TRUE COPY HEREOF MUST BE FILED WITH WATERMASTER WITHIN 15 DAYS OF EXECUTION.

(To be accompanied by completed “Stipulation Re Intervention After Judgment” if Buyer is not a party to the Judgment)

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)§
COUNTY OF LOS ANGELES)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____ personally known to me _____ or, proved to me on the basis of satisfactory evidence to be the person(s) who executed the within Instrument as

_____,
or on behalf of the Corporation therein named, and acknowledged to me that the Corporation executed it.

WITNESS my hand and official seal.

Signature _____

Name (Typed or Printed)
Notary Public in and for said
County and State

(SEAL)

INDIVIDUAL(S) ACKNOWLEDGMENT

STATE OF CALIFORNIA)§
COUNTY OF LOS ANGELES)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____ personally known to me _____ or, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) _____ subscribed to the within instrument and acknowledged to me that executed the same.

WITNESS my hand and official seal.

Signature _____

Name (Typed or Printed)
Notary Public in and for said
County and State

(SEAL)

TEMPORARY ASSIGNMENT OR LEASE OF WATER RIGHT

For a valuable consideration, receipt of which is hereby acknowledged, _____
("Assignor") does hereby assign and transfer to _____, ("Assignee")
commencing on _____ and terminating _____, on the following water right(s):

(Check following appropriate category)

Production Right _____ AF

Prescriptive Pumping Right _____ AF

Base Annual Diversion Right _____ AF

Integrated Production Right (consisting of
_____ AF of "Prescriptive Pumping
Component" and _____ AF of
"Diversion Component")

Carryover Right _____ AF

adjudicated to Assignor or his predecessor in the Judgment in the case of "Upper San Gabriel Valley Municipal Water District, v. City of Alhambra, et al," Los Angeles Superior Court No. 924128.

Said assignment is made upon condition that:

- (1) Assignee shall exercise said right on behalf of Assignor for the period described hereinabove and the first water produced by Assignee from the Relevant Watershed of the Main San Gabriel Basin after the date hereof shall be that produced hereunder;
- (2) Assignee shall put all waters utilized pursuant to said transfer to reasonable beneficial use; and
- (3) Assignee shall pay all Watermaster assessments on account of the water production hereby assigned or leased.

DATED: _____

ASSIGNEE

ASSIGNOR

Signature

Signature

Name of Designee (of Assignee) to receive
service of Processes and Notices:

Name of Designee (of Assignor) to receive
service of Processes and Notices:

Address

Tel. No.:

Address

Tel. No.:

E-mail Address:

E-mail Address:

To be executed by both Assignee and Assignor and, if separately requested by Watermaster, be accompanied by a map of the service area where the water was used by Assignor and a map of the service area where the water is intended to be used by the Assignee.

(Have the appropriate individual(s) or corporate attached acknowledgments completed as part of the temporary transfer.)

A TRUE COPY HEREOF MUST BE FILED WITH WATERMASTER WITHIN 15 DAYS OF EXECUTION

(To be accompanied by completed "Stipulation Re Intervention After Judgment" if Assignee is not a party to the Judgment)

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)§
COUNTY OF LOS ANGELES)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____ personally known to me _____ or, proved to me on the basis of satisfactory evidence to be the person(s) who executed the within Instrument as

_____, or on behalf of the Corporation therein named, and acknowledged to me that the Corporation executed it.

WITNESS my hand and official seal.

Signature _____

Name (Typed or Printed)
Notary Public in and for said
County and State

(SEAL)

INDIVIDUAL(S) ACKNOWLEDGMENT

STATE OF CALIFORNIA)§
COUNTY OF LOS ANGELES)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____ personally known to me _____ or, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) _____ subscribed to the within instrument and acknowledged to me that executed the same.

WITNESS my hand and official seal.

Signature _____

Name (Typed or Printed)
Notary Public in and for said
County and State

(SEAL)

1 Frederic A. Fudacz, State Bar #050546
2 Alfred E. Smith, State Bar #186257
3 Nossaman LLP
4 777 South Figueroa Street, 34th Floor
5 Los Angeles, CA 90017
6 (213) 612-7800 Office
7 (213) 612-7801

EXEMPT FROM FILING FEES
GOVERNMENT CODE 6103

Attorney for Main San Gabriel Basin Watermaster

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

10 UPPER SAN GABRIEL VALLEY)
11 MUNICIPAL WATER DISTRICT)
12 Plaintiff)
13 vs.)
14 CITY OF ALHAMBRA, ET AL,)
15 Defendants)
16 _____)

CASE NO.: C 924128

STIPULATION RE INTERVENTION
AFTER JUDGMENT OF

17
18 IT IS HEREBY STIPULATED by and between the Main San Gabriel Basin Watermaster for and
19 on behalf of all parties to the instant action (pursuant to Section 57 of the amended Judgment) and
20 _____, the proposed Intervenor(s) herein, that said proposed
21 Intervenor(s) may intervene in the instant action and become entitled to all of the benefits bound by all of
22 the burdens of the Judgment herein.

23
24 The Court will consider the attached proposed Order confirming said Intervention at _____
25 o'clock _____ on _____ 20____, in Department 38, located at 111 North Hill
26 Street, Los Angeles, CA 90012.

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28 Watermaster shall give at least 30 days notice to the parties herein of said hearing.

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DATED: _____

WATERMASTER

By _____

Chairman

Attest:

Secretary

DATED: _____

INTERVENOR(S)

By _____

By _____

Name of Intervenor's Designee:

Address of Designee:

Telephone Number of Designee:

E-mail for Designee:

1 Frederic A. Fudacz, State Bar #050546
2 Alfred E. Smith, State Bar #186257
3 Nossaman LLP
4 777 South Figueroa Street, 34th Floor
5 Los Angeles, CA 90017
6 (213) 612-7800 Office
7 (213) 612-7801

EXEMPT FROM FILING FEES
GOVERNMENT CODE 6103

Attorney for Main San Gabriel Basin Watermaster

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

10 UPPER SAN GABRIEL VALLEY)
11 MUNICIPAL WATER DISTRICT)
12 Plaintiff)
13 vs.)
14 CITY OF ALHAMBRA, ET AL,)
15 Defendants)
16 _____)

CASE NO.: C 924128

DESIGNEE TO RECEIVE FUTURE
NOTICES FOR AND ON BEHALF OF
DEFENDANT(S)

17
18 Defendant(s) _____ hereby
19 designates: _____, whose address
20 is _____, and whose telephone
21 number is _____, and whose e-mail address is _____ as said
22 Defendant's Designee to receive service of all future notices, determinations, requests, demands,
23 objections, reports and other papers and processes to be served upon said defendant(s) or delivered to said
24 defendant(s) herein.

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26 A copy hereof has been served upon the Watermaster herein, by mail, on
27 _____, 20____.

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Executed under penalties of perjury at _____, California, this
_____ day of _____, 20__.

Printed Name of Designee

Signature of Designee

**NOTICE OF TRANSFER OF OVERLYING RIGHTS
WITH PROPERTY TO WHICH THEY ARE APPURTENANT**

On _____, 20____, the undersigned (or his predecessor), adjudged Overlying Rights on the property described in Exhibit 1 attached hereto and by this inference incorporated herein, in the case of "UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT, v. CITY OF ALHAMBRA, ET AL," Los Angeles Superior Court No. 924128, transferred said property and said Overlying Rights appurtenant thereto to _____, whose address is _____, whose e-mail address is _____ and whose telephone number is _____.

That said transferee hereby names _____
Whose address is _____,
whose telephone number is _____, and whose e-mail address is _____ as his/her Designee to receive all future notices and processes in said action.

DATED: _____

BUYER

SELLER

(Signature)

(Signature)

To be executed by both Buyer and Seller and, if separately requested by Watermaster, be accompanied by a map of the service area where the water was used by Seller and a map of the service area where the water is intended to be used by the Buyer.

(Have the appropriate individual(s) or corporate attached acknowledgments completed as part of the transfer, and include Exhibit 1)

A TRUE COPY HEREOF MUST BE FILED WITH WATERMASTER WITHIN 15 DAYS OF EXECUTION.

(To be accompanied by completed "Exhibit E" if Buyer is not a party to the Judgment)

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA)§
COUNTY OF LOS ANGELES)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____ personally known to me _____ or, proved to me on the basis of satisfactory evidence to be the person(s) who executed the within Instrument as

_____,
or on behalf of the Corporation therein named, and acknowledged to me that the Corporation executed it.

WITNESS my hand and official seal.

Signature _____

Name (Typed or Printed)
Notary Public in and for said
County and State

(SEAL)

INDIVIDUAL(S) ACKNOWLEDGMENT

STATE OF CALIFORNIA)§
COUNTY OF LOS ANGELES)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____ personally known to me _____ or, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) _____ subscribed to the within instrument and acknowledged to me that executed the same.

WITNESS my hand and official seal.

Signature _____

Name (Typed or Printed)
Notary Public in and for said
County and State

(SEAL)

Mailing Address:
725 North Azusa Ave.
Azusa, CA 91702

**MAIN SAN GABRIEL BASIN WATERMASTER
SUPERIOR COURT CASE NO. 924128-LOS ANGELES COUNTY**

_____ (State Well Number)
_____ (Recordation Number)
_____ (Owner's Designation)

APPLICATION TO DRILL WATER WELL

(To Be Completed by Watermaster)

(1) APPLICANT:

Name _____
Address _____

E-mail Address _____

(2) LOCATION OF PROPOSED WELL:

Well Address: _____
Township, Range, and Section _____
Thomas Brothers Guide (Please indicate year, page number and coordinates.) _____

Assessor's Parcel No. _____

(Please attach copy of a map or sketch showing well location relative to streets or other major landmarks.)

(3) NAME OF WELL DRILLING CONTRACTOR: _____

(4) PROPOSED USE:

Municipal () Irrigation ()
Domestic () Industrial ()
Water Quality Cleanup ()
Other () _____

(5) DRILLING EQUIPMENT:

Rotary ()
Cable ()
Other () _____

(6) PROPOSED WELL CHARACTERISTICS:

A. Casing Installed: STEEL () PLASTIC () OTHER ()
Gravel Packed: Yes () No () Size _____

From ft.	To ft.	Diam.	Gage or Wall	Diameter of Bore	Packed	
					From ft.	To ft.

Size of shoe or well ring: _____
Describe joint _____

B. Perforations or Screen:

Type of perforation or size of screen _____

From ft.	To ft.	Perf. per row	Rows per ft.	Slot Size

C. Construction:

Will a surface sanitary seal be provided? Yes () No ()
To what depth? _____ ft.
Is any strata anticipated to be sealed against pollution?
Yes () No ()
If yes, note anticipated depth of strata
from _____ ft. to _____ ft.
from _____ ft. to _____ ft.
Proposed method sealing _____

(7) WELL TESTS:

Will a pump test be made? Yes () No () If yes by whom? _____
Anticipated Well Yield _____
Will a chemical analysis be made? Yes () No ()
Will an electric log be made of well? Yes () No () (If yes, file Copy with Watermaster upon well completion)

(8) PROPOSED PUMPING EQUIPMENT:

(A) Pump
Electric () Natural Gas ()
Propane () Diesel ()
Other () _____
(B) Make _____
(C) Pump Size (hp) _____ (gpm) _____
(D) Design Efficiency _____

(9) PROXIMITY TO POTENTIAL SOURCES OF CONTAMINATION:

(A) Distance to nearest sewer line or septic tank _____ (ft.)
(B) Wells (Please provide distance, direction and name of nearest upgradient well(s) with volatile organic chemical or nitrate levels above a maximum contaminant level, if known.)

(10) Please provide copy of County of Los Angeles permits and State Department of Water Resources Water Well Driller Reports and any other permits for construction of a new well upon completion of proposed well.

(11) Please provide Watermaster with copies of all feasibility studies, alternative water supply sources, water quality studies or other reports which validate the Applicant's need to drill a new well. Applicant must provide supporting data to show compliance with the requirements of Section 28 with particular reference to Section 28(e) of Watermaster's Rules and Regulations.

I hereby agree to comply with all regulations of the Main San Gabriel Basin Watermaster pertaining to well construction, repair, modification, destruction and inactivation. The applicant will furnish the Watermaster a complete well log upon completion of well construction.

Submitted for Applicant by: _____

Signature: _____

Title: _____

Date: _____

Date Received by Watermaster: _____

Watermaster Action: Approved () Denied ()

Date of Action: _____

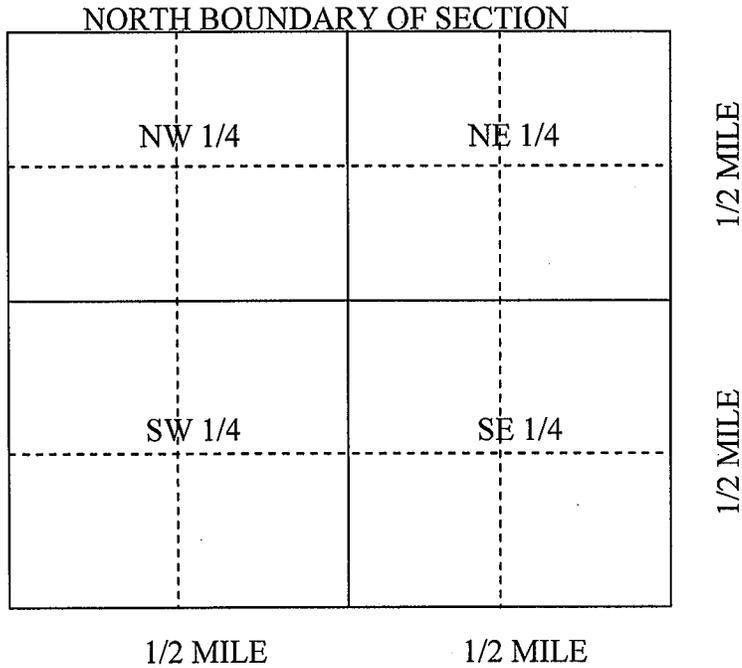
Permit Number: _____

By: _____

(Name)

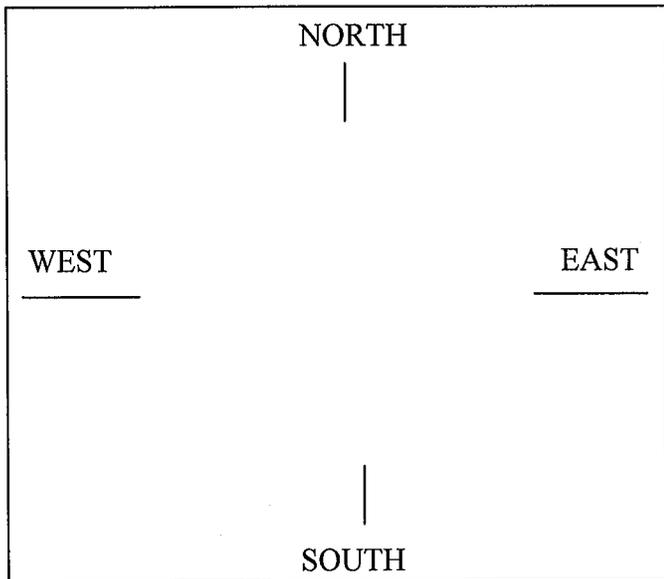
(Title)

WELL LOCATION SKETCH



Township _____ N/S
 Range _____ E/W
 Section No. _____

- A. Location of well in sectionized areas.**
 Sketch roads, railroads, streams, or other features as necessary.



- B. Location of well in areas not sectionized.**
 Sketch roads, railroads, streams, or other features as necessary. Indicate distances.

Mailing Address:
725 North Azusa Ave.
Azusa, CA 91702

MAIN SAN GABRIEL BASIN WATERMASTER
SUPERIOR COURT CASE NO. 924128-LOS ANGELES COUNTY

(State Well Number)

(Recordation Number)

(Owner's Designation)

APPLICATION TO MODIFY EXISTING WATER WELL

(1) APPLICANT:
Name _____
Address _____

E-mail Address _____
(2) LOCATION OF PROPOSED WELL:
Well Address: _____
Township, Range, and Section _____
Thomas Brothers Guide (Please indicate year, page number and coordinates.) _____

Assessor's Parcel No. _____
(Please attach copy of a map or sketch showing well location relative to streets or other major landmarks.) _____

(3) NAME OF WELL DRILLING CONTRACTOR: _____

(4) TYPE OF WORK:
Deepening () Modify Perforations () Increase Yield ()
Reconditioning () Other () _____

(5) PROPOSED USE: (6) DRILLING EQUIPMENT:
Municipal () Irrigation () Rotary ()
Domestic () Industrial () Cable ()
Water Quality Cleanup () Other () _____

(7A) CASING INSTALLED (existing):
STEEL () PLASTIC ()
OTHER () _____

From ft.	To ft.	Diam.	Gage or Wall	Gravel Packed:		
				Diameter of Bore	From ft.	To ft.

Size of shoe or well ring: _____
Describe joint _____

(7B) CASING INSTALLED (proposed):
STEEL () PLASTIC ()
OTHER () _____

From ft.	To ft.	Diam.	Gage or Wall	Gravel Packed:		
				Diameter of Bore	From ft.	To ft.

Size of shoe or well ring: _____
Describe joint _____

(8A) PERFORATIONS OR SCREEN (existing):
Type of perforation or size of screen _____

From ft.	To ft.	Perf. per row	Rows per ft.	Slot Size

(8B) PERFORATIONS OR SCREEN (proposed):
Type of perforation or size of screen _____

From ft.	To ft.	Perf. per row	Rows per ft.	Slot Size

(9A) EXISTING CONSTRUCTION:
Was a surface sanitary seal provided? Yes () No ()
To what depth? _____ ft.
Were any strata sealed against pollution? Yes () No ()
If yes, note depth of strata
from _____ ft. to _____ ft.
from _____ ft. to _____ ft.
Method of sealing _____

(9B) PROPOSED CONSTRUCTION:
Will a surface sanitary seal be provided? Yes () No ()
To what depth? _____ ft.
Is any strata anticipated to be sealed against pollution? Yes () No ()
If yes, note depth of strata
from _____ ft. to _____ ft.
from _____ ft. to _____ ft.
Method of sealing _____

(10) WELL TESTS:
Was a pump test made? Yes () No () (If yes, attach most recent copy)
_____ gal. min. with _____ ft. drawdown after _____ hrs.
Temperature of water _____
Was a chemical analysis made? Yes () No ()
Was electric log made of well? Yes () No () (If yes, attach most recent copy)

(11) WELL LOG:
Total depth _____ ft. Depth of completed well _____ ft.
Formation: Describe by color, character, size of material and structure _____ ft. to _____ ft.
(Please attach copy of existing well log. If well log is not available, describe well lithology in space provided or on attached page.)

(12) HISTORIC WELL MODIFICATIONS:
(On an attached page, please provide a chronology of all historic well modifications which may have affected well yield or water quality.)

(13A) EXISTING WELL PUMP DATA:
A. Pump Type:
Electric () Natural Gas () Other ()
Propane () Diesel ()
B. Pump Performance:
Horsepower _____ (GPM) _____
Design Efficiency _____

(13B) PROPOSED WELL PUMP DATA:
A. Pump Type:
Electric () Natural Gas () Other ()
Propane () Diesel ()
B. Pump Performance:
Horsepower _____ (GPM) _____
Design Efficiency _____

(14) Please provide copy of County of Los Angeles permits and State Department of Water Resources Water Well Driller Reports and any other permits for modification of an existing well upon completion of modification of well.

(15) Please provide Watermaster with copies of all feasibility studies, alternative water supply sources, water quality studies or other reports which validate the Applicant's need to modify this well. Applicant must provide supporting data to show compliance with the requirements of Section 28 with particular reference to Section 28(e) of Watermaster's Rules and Regulations.

I hereby agree to comply with all regulations of the Main San Gabriel Basin Watermaster pertaining to well construction, operation, repair, modification, destruction and inactivation. The Applicant will furnish the Watermaster a complete well log upon completion of well modification.

Submitted for Applicant by: _____

Signature: _____

Title: _____

Date: _____

Date Received by Watermaster: _____

Watermaster Action: _____

Approved () Denied ()

Date of Action: _____

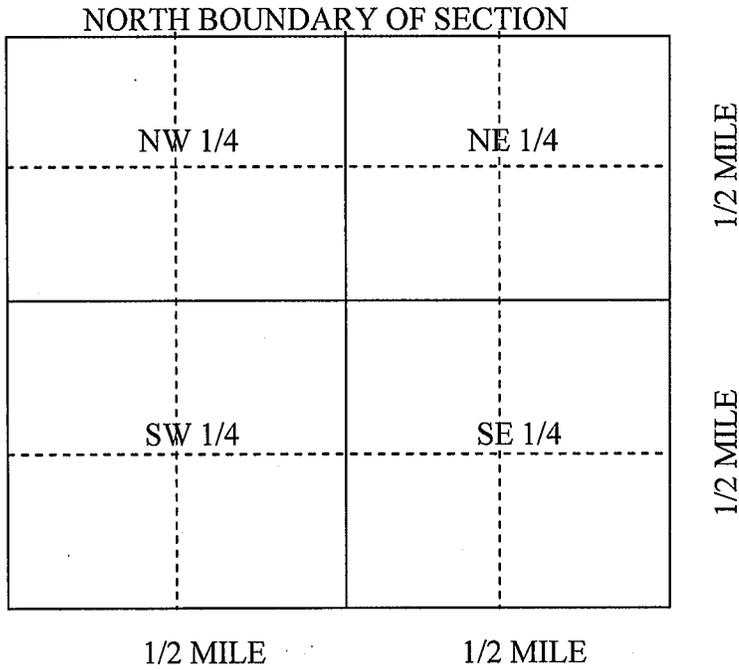
Permit Number: _____

By: _____

(Name)

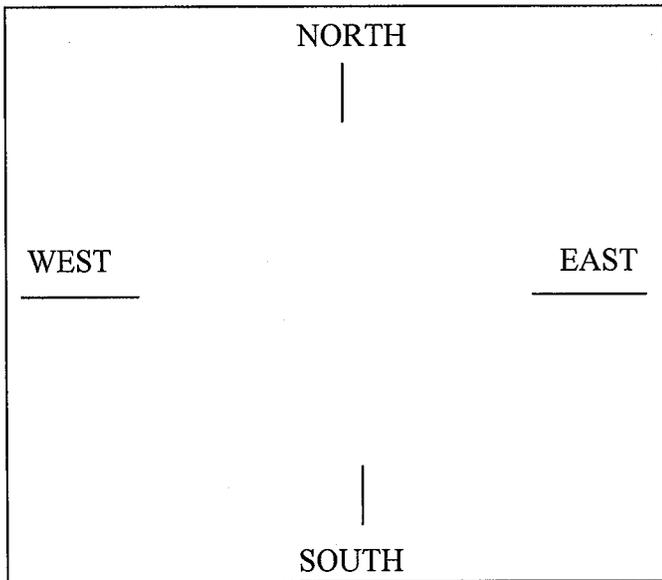
(Title)

WELL LOCATION SKETCH



Township _____ N/S
 Range _____ E/W
 Section No. _____

- A. Location of well in sectionized areas.**
 Sketch roads, railroads, streams, or other features as necessary.



- B. Location of well in areas not sectionized.**
 Sketch roads, railroads, streams, or other features as necessary. Indicate distances.

Mailing Address:
725 North Azusa Ave.
Azusa, CA 91702

MAIN SAN GABRIEL BASIN WATERMASTER
SUPERIOR COURT CASE NO. 924128-LOS ANGELES COUNTY

(State Well Number)

(Recordation Number)

(Owner's Designation)

APPLICATION TO DESTROY WELL

(1) APPLICANT:

Name _____
Address _____

E-mail Address _____

(2) LOCATION OF WELL:

Well Address: _____
Township, Range, and Section _____
Thomas Brothers Guide (Please indicate year, page number and coordinates.) _____

Assessor's Parcel No. _____

(Please attach copy of a map or sketch showing well location relative to streets or other major landmarks.) _____

(3) NAME OF WELL DRILLING CONTRACTOR: _____

(4) PURPOSE FOR DESTROYING WELL

Water Quality () Physical ()
Other () _____

(5) CURRENT USE:

Municipal () Irrigation ()
Domestic () Industrial ()
Water Quality Cleanup ()
Other () _____

(6) EXISTING CASING INSTALLED:

STEEL () PLASTIC () Gravel Packed:
OTHER () Yes () No () Size _____

From ft.	To ft.	Diam.	Gage or Wall	Diameter of Bore	Packed	
					From ft.	To ft.

Size of shoe or well ring: _____

Describe joint _____

(7) EXISTING PERFORATIONS OR SCREEN:

Type of perforation or size of screen _____

From ft.	To ft.	Perf. per row	Rows per ft.	Slot Size

(8) CONSTRUCTION:

Was a surface sanitary seal provided? Yes () No ()
To what depth? _____ ft.
Were any strata sealed against pollution? Yes () No ()
If yes, note depth of strata
from _____ ft. to _____ ft.
from _____ ft. to _____ ft.
Method of sealing _____

(9) WELL LOG: (Please provide a copy of well log.)

Total depth _____ ft. Depth of completed well _____ ft.
Formation: Describe by color, character, size of material and structure if well log cannot be provided.
_____ ft. to _____ ft.

(10) METHOD OF DESTROYING: (Please provide an explanation of how the well is to be destroyed including drawings showing the proposed method of destroying. Please provide copy of County of Los Angeles permits and State Department of Water Resources Water Well Drillers reports and any other permits for destruction of well following destruction of the well.)

I hereby agree to comply with all regulations of the Main San Gabriel Basin Watermaster pertaining to well construction, operation, repair, modification, destruction and inactivation. The Applicant will notify the Watermaster upon completion of well destruction.

Submitted for Applicant by: _____

Signature: _____

Title: _____

Date: _____

Date Received by Watermaster: _____

Watermaster Action:
Approved () Denied ()

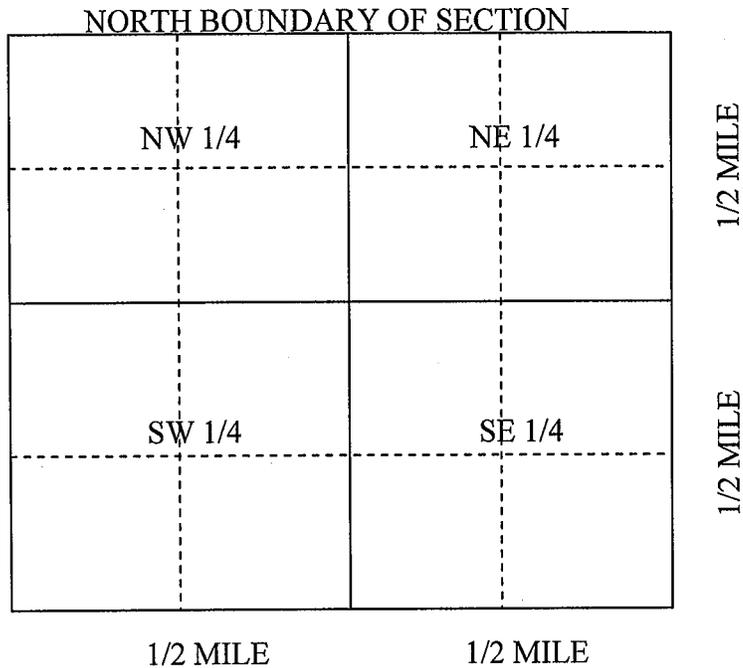
Date of Action: _____

Permit Number: _____

By: _____
(Name)

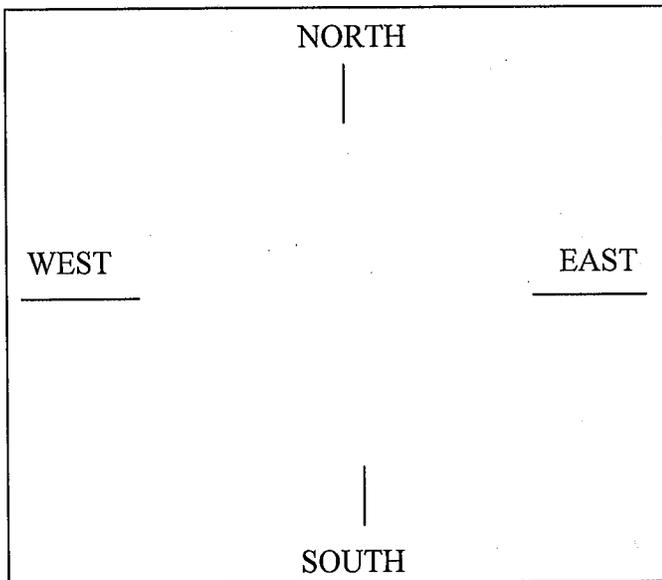
(Title)

WELL LOCATION SKETCH



Township _____ N/S
 Range _____ E/W
 Section No. _____

- A. Location of well in sectionized areas.**
 Sketch roads, railroads, streams, or other features as necessary.



- B. Location of well in areas not sectionized.**
 Sketch roads, railroads, streams, or other features as necessary. Indicate distances.

Mailing Address:
725 North Azusa Ave.
Azusa, CA 91702

MAIN SAN GABRIEL BASIN WATERMASTER
SUPERIOR COURT CASE NO. 924128-LOS ANGELES COUNTY

APPLICATION FOR WATER TREATMENT FACILITY

(1) APPLICANT:
Name _____
Address _____

E-mail Address _____

(2) LOCATION OF TREATMENT FACILITY:
Address _____
Thomas Brothers Guide (Please indicate year, page number and coordinates.) _____

(Please include a map showing the location of the treatment facility relative to streets, buildings, water system facilities and other points of reference.)

(3) (A) NAME OF WATER TREATMENT FACILITY _____
CONTRACTOR: _____
(B) NAME OF DESIGN ENGINEER AND STATE REGISTRATION NUMBER: _____

(4) PROPOSED ACTION AT TREATMENT FACILITY
Construction () Modification () Removal ()
Destruction () Other ()

(5) DESCRIPTION OF FACILITY:
(A) Type of treatment:
Volatile Organic Chemical () Nitrate () Other ()
(B) Please describe the treatment process to be used at the proposed treatment plant.

(C) Please list, by Owner Designation, all wells to be treated:

(6) ANTICIPATED TREATMENT FACILITY CAPACITY:
_____ Gallons Per Minute
_____ Acre-feet Per Year

(7) EXPECTED CONCENTRATION OF CONTAMINANTS:

Contaminant	Influent Concentration (Parts per Billion)	Effluent Concentration (Parts per Billion)	Contaminant Removal Rate (Percent)
Trichloroethylene (TCE)	_____	_____	_____
Tetrachloroethylene (PCE)	_____	_____	_____
1,1,1-Trichloroethane (1,1,1-TCA)	_____	_____	_____
Carbon Tetrachloride (CTC)	_____	_____	_____
1,1-Dichloroethylene (1,1-DCE)	_____	_____	_____
1,1-Dichloroethane (1,1-DCA)	_____	_____	_____
1,2-Dichloroethane (1,2-DCA)	_____	_____	_____
Others:	_____	_____	_____
_____	_____	_____	_____

(8) DISPOSITION OF ALL TREATED WATER:
(Please describe disposition of all treated water, and the corresponding annual amount of discharge.)

(9) INITIAL START-UP DATE: _____

(10) EXPECTED OPERATING SCHEDULE:
(A) Daily schedule _____
(B) Number of days each month (Please specify if operating schedule varies month-to-month) _____

(11) EXPECTED COSTS
(A) Capital cost: \$ _____
(B) Operation and maintenance: \$ _____ /AF.

(12) REGULATORY PERMITS: Please describe all necessary permits and/or all permits for which you have applied or have received from all regulatory agencies with regard to the proposed treatment facility. Please supply to Watermaster, copies of all environmental documents required under the California Environmental Quality Act and/or the National Environmental Protection Act.

(13) Applicant acknowledges it will comply with all portions of Section 28 of Watermaster's Rules and Regulations pertaining to quarterly data submittal, for treatment plant operation, to Watermaster. Specifically, at least the following data shall be provided on a quarterly basis:

- Name or other designation of treatment facility;
- Quantity of water treated during quarter;
- Quantity of each contaminant removed;
- Quality of water before treatment, at beginning and end of each quarter;
- Quality of water after treatment, at beginning and end of each quarter; and
- Operation and maintenance costs for each quarter.

(14) Please provide Watermaster with copies of all feasibility studies, alternative water supply sources, water quality studies or other reports which validate the Applicant's need to install a water treatment facility.

Applicant must provide supporting data to show compliance with the requirements of Section 28 with particular reference to Section 28(h) of Watermaster's Rules and Regulations.

I hereby agree to comply with all regulations of the Main San Gabriel Basin Watermaster pertaining to treatment plant construction, operation, repair, modification, destruction and inactivation.

Submitted for Applicant by: _____

Signature: _____

Title: _____

Date: _____

Date Received by Watermaster: _____

Watermaster Action:

Approved () Denied ()

Date of Action: _____

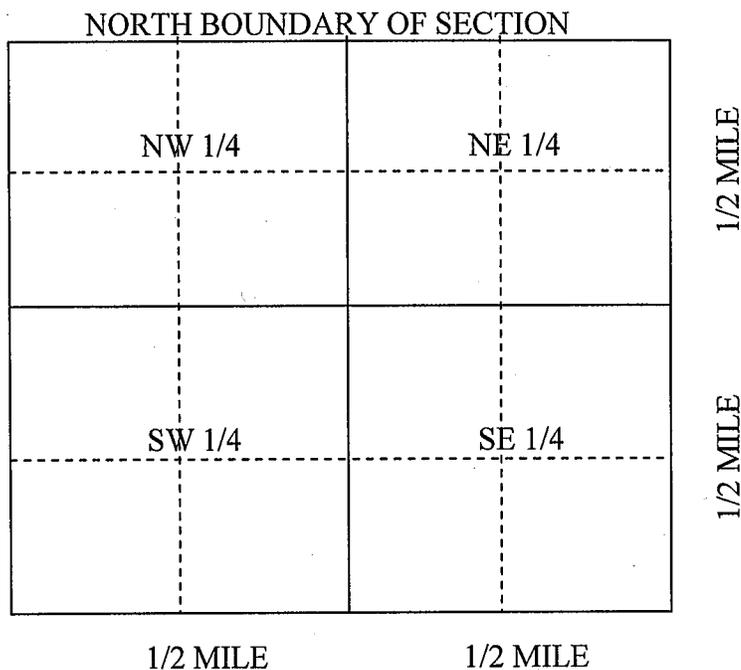
Permit Number: _____

By: _____

(Name)

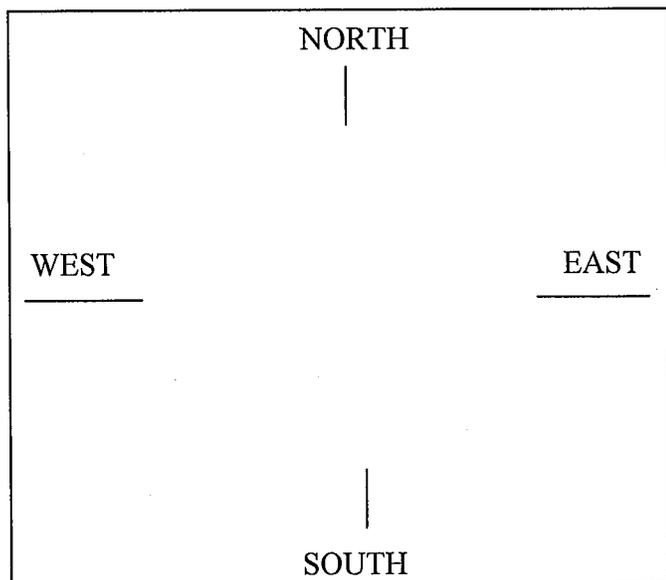
(Title)

WELL LOCATION SKETCH



Township _____ N/S
 Range _____ E/W
 Section No. _____

- A. Location of well in sectionized areas.**
 Sketch roads, railroads, streams, or other features as necessary.



- B. Location of well in areas not sectionized.**
 Sketch roads, railroads, streams, or other features as necessary. Indicate distances.

**POLICY/CRITERIA FOR
BORROWING
Section 18 (i)**

- A. Watermaster may borrow money from any available fund maintained by it for purposes other than Replacement Water purchases, or use accrued funds, to purchase Supplemental Water. "Any available fund" shall mean the Administration Fund, the In-Lieu Fund, the Make-up Obligation Fund or any fund other than the Replacement Water Fund. The following criteria shall be followed when borrowing from any available fund. **(Note: The provisions for levying assessments, including repayment of borrowed funds, should be added to Sections 18 (Assessments) and 19 (Levy and Notice of Assessments).)**
1. The first priority for using borrowed funds is for the pre-purchase of Replacement Water based upon unique water supply availability conditions. In this case, borrowed funds shall be repaid by the subsequent over-producers as normal Replacement Water purchases. The Watermaster may also use borrowed funds to purchase Supplemental Water for the general benefit of the Basin.
 2. Watermaster shall maintain sufficient amounts in the fund(s) it borrows from to reliably manage those funds.
 - a. The Replacement Water fund has accumulated amounts which reflect interest income. The surplus amounts in the Replacement Water fund may be used for the purchase of Replacement Water.
 - b. The Make-up Obligation fund has been established through Make-up Obligation assessments to fund the purchase of Make-up Water to satisfy a Make-up Obligation of the Upper Area to the Lower Area pursuant to the Long Beach Judgment.

- i. The Upper Area shall have an Accrued Credit of no less than 50,000 acre-feet in order to consider any borrowing for the purchase of Supplement Water.
- ii. If, at any time, amounts are borrowed from the Make-up Obligation fund, and the Upper Area accrued credit falls below 50,000 acre-feet, the amount borrowed shall be repaid, with accrued interest, within one-year of the date of the San Gabriel River Watermaster Annual Report identifying the accrued credit is below 50,000 acre-feet.

B. Borrowing from Financial Institutions

1. When necessary to secure Supplemental Water, upon approval by Watermaster at its regularly scheduled public meeting, Watermaster may borrow funds in excess of the annual amount of assessments levied but uncollected.
2. Prior to borrowing funds, Watermaster shall conduct the following:
 - a. Meet and confer with Responsible Agencies and seek their input and;
 - b. Obtain prior approval of the Court before incurring debt that exceeds the total of one year's levied Assessments.
 - c. Identify the terms and conditions for Court approval.
3. Debt repayment will be allocated among the Parties subject to the beneficial use of the Supplemental Water:
 - a. Supplemental Water used as a pre-delivery of a Replacement Water obligation shall be allocated amongst the Parties which incur a Replacement Water obligation.
 - b. Supplemental Water used as a delivery for the general benefit of the Basin shall be allocated based upon total

Prescriptive Pumping Rights and Surface Diversion Rights
(or total Production).

4. Watermaster may establish a line of financial credit with a financial institution. Watermaster shall maintain a record of all fees, principal and interest associated with any loan or withdrawal on its line of credit until such funds are repaid. Watermaster shall establish an applicable assessment rate for repayment in full, including fees and interest.
 - a. Upon receipt of assessment funds each year, Watermaster shall make a repayment to the lending institution, in part or in whole, to complete repayment.

**POLICY/CRITERIA FOR
THREE-YEAR PURCHASED WATER PLAN
Section 30**

- A. By August 1 of each year, Watermaster staff will prepare a draft Three-year Purchased Water Plan estimating the Supplemental Water purchases for each of the three subsequent years.
1. Estimated Supplemental Water purchases shall be provided to correspond to water supply allocations made by other agencies (currently calendar year).
 - a. Allocations of State Water Project water entitlement are provided on a calendar year basis.
 - b. The Metropolitan Water District of Southern California allocations are provided on a calendar year basis.
 2. The Supplemental Water requirement from the end of Watermaster's fiscal year (ends June 30) is assumed to be delivered by the end of the respective calendar year (i.e. June 30, 2013 delivered by December 31, 2013).
 3. The estimated Supplemental Water requirements to be included in the draft Three-year Purchased Water Plan may be based on the following:
 - a. The first year of the Three-year Purchased Water Plan shall be, at a minimum, the total Replacement Water requirement for the three Responsible Agencies for the immediately preceding fiscal year's Operating Safe Yield and Production, and any Supplemental Water, at the discretion of Watermaster.
 - b. The second and third years of the Three-year Purchased Water Plan may be estimated as follows:

- i. The Operating Safe Yield established by Watermaster for the current fiscal year and the preliminary Operating Safe Yield for the next succeeding years.
 - ii. Alternative projections of the Operating Safe Yield that may be set by Watermaster.
 - iii. An evaluation of potential wet, average, and dry hydrologic conditions.
 - iv. Future groundwater Production provided by, or estimated for, each Producer pursuant to Section 28(g) (1) of these Rules and Regulations and preparation of Watermaster's Five-year Water Supply and Water Quality Plan.
 - v. Depending upon Basin conditions, Watermaster may consider additional factors as necessary.
- B. Prior to October 1 of each year, the draft Three-year Purchased Water Plan shall be provided to the appropriate Watermaster Committee(s) for review.
- C. At its October meeting, the Watermaster Board shall be presented with the draft Three-year Purchased Water Plan.
- D. On or before November 1 of each year, Watermaster shall prepare and distribute to the Responsible Agencies a three-year projection of its supplemental water purchases from each agency.
- E. Watermaster shall, to the extent feasible, coordinate the tentative schedule for delivery and payment of those Supplemental Water purchases with each agency.

**POLICY/CRITERIA FOR
REPLACEMENT WATER ASSESSMENT
Section 18 (b)**

Section 18(b) – Watermaster Replacement Water rates may be in an amount calculated to allow Watermaster to purchase more than one acre-foot of Supplemental Water for each acre-foot of excess Production (Production which exceeds annual Production rights) to which such Assessment applies, when such purchases are prudent in order to secure necessary supplies for the benefit of the Basin and parties, subject to the following conditions:

1. To the extent Watermaster purchases more than one acre-foot of Supplemental Water for each acre-foot of excess Production to which such assessment applies, a credit shall be issued to the affected Producers at such time excess water is purchased.
2. Watermaster shall maintain a record of the Producers which were assessed and the quantity of Supplemental Water that was purchased for the current year's Replacement Water obligation and the incremental additional amount of Supplemental Water that was purchased for which a credit will be issued.
3. Producers that have been assessed an amount to purchase more than one acre-foot of Supplemental Water and have received a credit shall have the option of:
 - a. Retaining the additional Supplemental Water in an individual Producer cyclic storage account for use by the Producer to off-set a future Replacement Water obligation – (requires cyclic storage agreement).
 - b. Transferring the additionally purchased Supplemental Water credit to the appropriate Responsible Agency, and placed in the Responsible Agency's cyclic storage account.
4. Interest shall not accrue to the Producer on the assessment used to purchase additional Supplemental Water.

**POLICY/CRITERIA FOR
WATER RESOURCE DEVELOPMENT ASSESSMENT
Section 18 (e)**

e) Watermaster may levy an assessment on all Pumping to support the purchase, financing and/or development of new or additional Supplemental Water sources, in cooperation with one or more Responsible Agencies as appropriate.

1. Any Water Resource Development Assessment approved by the Watermaster shall be assessed on all Production.
2. The Water Resource Development Assessment funds are intended to ensure that the Basin maintains a reliable Supplemental Water supply to support the Judgment's Physical Solution and are intended to be used for the benefit of the entire Basin.
3. Any proposed use of Water Resource Development Assessment for development of a new or additional Supplemental Water source(s) shall require a technical document to be prepared and presented to the Watermaster, and shall include, as a minimum, the following information.
 - a. Engineering Report
 - i. Description
 - ii. Source of water supply
 - iii. Water supply reliability
 - iv. Description of new facilities
 - v. Detailed cost estimate
 - vi. Detailed operations and maintenance cost estimate
 - vii. A cost/benefit analysis
 - viii. Description of potential impacts to Responsible Agencies
 - ix. Description of basin-wide benefits
 - b. California Environmental Quality Act (CEQA) and/or National Environment Policy Act (NEPA) compliance, as necessary

- i. A Categorical Exemption
 - ii. A Negative Declaration
 - iii. A Mitigated Negative Declaration
 - iv. An Environmental Impact Report
 - c. Regulatory approval, as applicable
 - i. California Department of Public Health
 - ii. Regional Water Quality Control Board
 - iii. United States Environmental Protection Agency
 - iv. State Water Resources Control Board
 - v. Other State, County and Local Agencies
 - d. Funding summary and financial analysis
 - i. Description of all sources of funding
 - ii. Capital costs funding
 - iii. Operations, maintenance, repair and replacement costs funding
 - iv. Long-term financial strategy
4. In the event a Supplemental Water Supply project is presented to the Watermaster, Watermaster's Engineer and/or other designated Watermaster consultant(s) shall review the technical documents submitted and prepare a Staff Report evaluating the proposed project, including but not limited to :
 - a. Any Watermaster obligation and benefits.
 - b. Potential impacts to Responsible Agencies
 - c. Benefits to the Basin and the Producers.
 - d. An analysis of project costs compared to existing source(s) of supply.
 - e. An analysis of the long-term reliable yield of the proposed project.
5. The Watermaster Engineer's staff report shall be reviewed by the appropriate Watermaster Committee(s).

6. A new Supplemental Water Supply project that is endorsed by a Watermaster Committee(s) shall be subject to Section 11 of the Rules and Regulations
7. A new Supplemental Water Resources Development Assessment supply project that satisfies the public hearing process may be agenized for action by Watermaster regarding a Water Resources Development Assessment.
 - a. Watermaster's action on a Water Resources Development Assessment is subject to Court approval.
 - b. Parties wishing to oppose or support Watermaster's action may do so pursuant to Section 11 of these Rules and Regulations.
8. Following Court approval of a Water Resource Development Assessment, but prior to levying the assessment, Watermaster may execute an Agreement with the project proponent, if appropriate, including but not limited to a description of:
 - a. Reliable annual project yield.
 - b. All funding requirements.
 - c. Provisions for repayment of Watermaster Resource Development Assessments in the event alternative funding becomes available in the future.
 - d. The specific amount and length of time the Resources Development Assessment will be levied.
 - e. Any other items deemed appropriate by Watermaster.

**POLICY/CRITERIA FOR
AGREEMENT FOR STORAGE AND EXPORT OF SUPPLEMENTAL WATER
Section 34 (r)**

1. Potential Parties to a Storage and Export Agreement shall include, but not be limited to the following:
 - a. Main San Gabriel Basin Watermaster.
 - b. Party to the Judgment, as applicable.
 - c. The appropriate Responsible Agency(s)
 - i. Three Valleys Municipal Water District
 - ii. Upper San Gabriel Valley Municipal Water District
 - iii. San Gabriel Valley Municipal Water District
 - d. Non-party to the Judgment, as applicable.

2. Recitals (likely need a lot more)
 - a. Watermaster may fix terms and conditions under which parties and non-parties may store Supplemental Water in and export said Supplemental Water from the Basin;(Section 34 (r) of the amended Judgment)
 - b. Entities to a Storage and Export Agreement who are Parties to the Watermaster Judgment remain bound by ALL provisions of the Judgment and Rules and Regulations.
 - c. Entities to a Storage and Export Agreement who are non-Parties to the Watermaster Judgment shall remain non-parties to the Judgment and receive no rights, privileges, or responsibilities under the Judgment, except those specified herein.
 - d. Non-parties wishing to store and export Supplemental Water agree to the enforcement and dispute resolution procedures of the Judgment, including without limitation, submission to dispute resolution before the Court with continuing jurisdiction under the Judgment.
 - e. A Storage and Export Agreement shall be administered by the Watermaster.

- f. At a minimum, the following shall be reported to the Watermaster:
 - i. Production
 - ii. Meter test results
 - iii. Section 28 submittals (if applicable)
 - iv. Monthly Supplemental Water delivery and export
- g. There shall be no obligation or commitment by Watermaster for a proposed "Project's" success or failure.
- h. All extractions under this Agreement shall be for export purposes only and are not a primary water supply source to the exporter.
- i. Compliance with all provisions of Section 28 (new or increased production), as applicable.
- j. Watermaster shall control all spreading or injection and extraction scheduling and procedures for the storage and export of Supplemental Water.
- k. In an effort to facilitate Storage and Export agreements, Watermaster shall impose conditions to ensure that there will be no adverse impact to any other production source as a result of the agreement, and shall maintain continuing authority over such storage and export.
- l. Parties through Watermaster, shall maintain continuing ownership of all storage space in the Basin.
- m. Exporter shall be solely responsible for securing any and all permits and regulatory approvals necessary for the storage and export of Supplemental Water.
- n. All costs pursuant to this action shall be borne by the project proponent.

3. Supplemental Water Storage and Export Project Description

(Specific to each project)

- a. The source of Supplemental Water shall be identified.
- b. The Supplemental Water supply reliability shall be addressed.
- c. The description of delivery location(s) (turnout) shall be identified.
- d. The proposed replenishment location(s) shall be identified.

- e. The proposed extraction facilities and location(s) shall be described and the location identified.
- f. The proposed extraction plan shall be identified.
- g. A detailed description of project operation shall be provided.
- h. Compliance with all regulatory and environmental requirements.

4. Agreement Provisions

- a. Storage Requirement to store Supplemental Water in the Basin prior to export.
 - i. Watermaster shall determine the minimum balance which shall be in storage at all times.
 - ii. Watermaster shall determine the quantity of Supplemental Water deliveries which shall be deemed a contribution to the Basin.
 - iii. All water stored pursuant to a Storage and Export Agreement shall be subordinate in priority to other Supplemental Water pursuant to Section 26(d)(3), 26(d)(4), and 26(d)(5) of the Rules and Regulations.
 - iv. Watermaster may establish conditions regarding the export at such time the storage falls below the minimum balance.
 - v. Watermaster shall determine the minimum quantity of water to be maintained in storage before all export must cease.
 - vi. Watermaster shall determine a cost for the evaluation, negotiation, and implementation of a Storage and Export Agreement, and require a financial deposit in advance pursuant to Section 46(a).
 - vii. Watermaster shall calculate any special costs, damages or burdens resulting from the storage and export of Supplemental Water. Exporter shall be solely responsible for payment of any such damages, burdens and costs assessed by Watermaster.
 - viii. Watermaster shall determine and account for all losses in stored water.
- b. Description of the Supplemental Water Supply

- c. Supplemental Water Quality
 - i. The quality of the Supplemental Water shall be subject to Watermaster pre-approval.
 - ii. Watermaster may use the "Criteria for the Delivery of Supplemental Water" and the "Salt and Nutrient Management Plan" as a guide.
- d. Basin Contribution for Export
 - i. Watermaster shall determine the amount of stored water that shall be contributed to the Basin.
 - ii. All contributed water shall be provided to the Basin at no cost to Watermaster or Parties to the Judgment.
- e. Watermaster Assessment (Section 45(b)(6))
 - i. Exporter shall be assessed and shall pay to Watermaster applicable Administration assessment on all Production.
 - ii. Exporter shall be assessed and shall pay to Watermaster all other applicable assessments on all Production.
 - iii. Failure to promptly pay any assessment or fee may be cause for immediate termination of the Agreement.
- f. Project Scheduling – Watermaster Notification
 - i. Term of agreement shall consider turn-over and abandonment of stored water.
 - ii. Exporter shall provide Watermaster with a schedule which identifies all planning, funding, design, permitting, and construction, and shall be updated on a regular basis. Project delay may be cause for termination.
 - iii. Exporter shall at minimum, annually provide Watermaster with an operations schedule identifying planned deliveries and extractions for Watermaster approval.
- g. Replenishment Facilities Priorities
 - i. All storage agreements shall at all times consider priorities expressed in Section 26 of the Rules and Regulations.

- ii. Priority for storage and export shall be pro-rated by the Watermaster at its discretion, as needed.
- h. All Agreements shall address limitation on extraction based upon the Key Well elevation.
- i. Reporting to Watermaster consistent with the Rules and Regulations.
- j. Watermaster Continuing Authority
 - i. Watermaster shall retain control of pumping for Basin water quality.
 - ii. Agreement shall consider Basin cleanup plans and projects (which may be coordinated with EPA, WQA and other agencies).
 - iii. Watermaster shall incur no liability.
- k. Other Agreement (considerations).
 - i. Project Modification, Reduction, or Termination by all parties to the Agreement
 - ii. Disputes/Resolution
 - iii. Agreement Term
 - iv. Good Faith
 - v. Watermaster to have, or shall be considered for, the first right of refusal to purchase Stored Water prior to such water being exported.
 - vi. The storing and exporting parties agree to indemnify and hold Watermaster harmless from any and all claims resulting from the storage and export of Supplemental Water.
 - vii. Force Majore