AGREEMENT TO PRODUCE ADDITIONAL WATER FROM THE ARTESIAN ZONE OF THE SAN BERNARDINO BASIN AREA AND FOR REIMBURSEMENT OF COSTS

AGREEMENT made this 25th day of February, 1985, among the SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT (hereinafter called "Valley District"), the WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY (hereinafter called "Western"), the ORANGE COUNTY WATER DISTRICT (hereinafter called "Orange District"), the CITY OF RIVERSIDE (hereinafter called "Riverside"), and the CITY OF SAN BERNARDINO (hereinafter called "San Bernardino").

RECITALS

1. Valley District and Western are parties to the Judgment entered April 17, 1969, in the case entitled "Western Municipal Water District of Riverside County v. East San Bernardino County Water District et al.", Riverside Superior Court No. 78426 (hereinafter called the "Western Judgment"). The Western Judgment limits the amount of water that can be exported from the San Bernardino Basin Area for use within Western. It further limits extractions that can be made for use within Valley District without providing imported water for replenishment. However, Paragraph VI(b)6 of the Western Judgment also allows the Valley District and Western to enter into agreement for additional extractions as provided therein.

- 2. Under the Western Judgment, the Court also has continuing jurisdiction to provide for increases or decreases in the extractions of any particular party because of emergency requirements, and also to exercise continuing authority over other matters not specifically set forth in the Western Judgment but which occur in the future and would be of benefit to the parties in the utilization of the surface and groundwater supply described in the Western Judgment, provided that any such action may not be inconsistent with the respective rights of the parties.
- 3. Recently, the groundwater levels in the Artesian Zone of the San Bernardino Basin Area have risen to, or nearly to, the surface of the ground. The recurrence of the high groundwater table has caused basement flooding and damage to buildings, pavement, and sewer lines, and in the event of an earthquake may create a threat of ground liquefaction and constitutes and serves as a threat to public health, safety and welfare in the Artesian Zone. Said high groundwater table must be lowered in order to protect life and property in the area, to promote groundwater resources management, and to make efficient use of the water.
- 4. On October 19, 1983, Valley District and Western entered into an agreement entitled "Agreement for Temporary Additional Extractions from the San Bernardino Basin Area" (hereinafter called "Temporary Additional Extraction Agreement"). The Temporary Additional Extraction Agreement relates only to the natural water supply of the San Bernardino Basin Area, and the alleviation of the high groundwater problem by allowing

additional extractions of water by the parties from the Artesian Zone. Execution of the Temporary Additional Extraction Agreement did not prevent the parties from executing additional agreements or undertaking alternative measures to solve the problem. The present Agreement is such an additional agreement and provides alternative measures to alleviate the high groundwater problem.

- 5. On June 27, 1984, an order was signed in Superior Court, County of Riverside, modifying the Western Judgment by approving the Temporary Additional Extraction Agreement between Valley District and Western and allowing temporary additional extractions of water from the San Bernardino Basin Area. However, no water was extracted pursuant to the order, or under the terms of the 1983 agreement.
- 6. The situation of high groundwater levels in the Artesian Zone has become more urgent, and poses a severe threat to public health, safety and welfare. There is an immediate need to encourage production of additional water during the winter and spring months when demand for water decreases and production lessens. Therefore, the parties desire to provide for an emergency program during the first six months of the year, ending June 30, 1985, to permit additional production of water from the Artesian Zone, and to provide for reimbursement of production costs. The parties contemplate that Orange District will reimburse the cost of additional production at times when the water is approved for delivery by Orange District but that additional production may be made at other times as well at the

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expense of other parties in order to alleviate the problem conditions.

- 7. This Agreement relates only to the natural water supply of the San Bernardino Basin Area, and the alleviation of the high groundwater problem by allowing temporary extractions of additional water from the Artesian Zone. Nothing herein shall affect the right of the Valley District or of the State to recapture State Water Project water.
- 8. Recognizing the emergency nature of the situation in the Artesian Zone, Western and Valley District are willing to implement this program as soon as this Agreement is executed, but intend to seek an immediate modification of the Western Judgment to incorporate its terms and obtain court approval.

COVENANTS

Based upon the foregoing facts and in consideration of the mutual covenants of the parties, it is hereby agreed as follows:

9. Amount of Water Subject to Temporary Additional Extraction. The parties agree that the amount of water in the Artesian Zone of the San Bernardino Basin Area subject to temporary additional extractions pursuant to this Agreement is in addition to any extractions made under the agreements described in Paragraph 22 and in addition to the extractions permitted without replenishment under the Western Judgment. Such additional water needs to be removed in order to lower the groundwater table in the area to acceptable levels. Extraction

and transportation of the water may be accomplished through the facilities of any existing company, city, district, or other agency within Western or Valley District. Extractions permitted under this Agreement shall be in addition to those allowed from the San Bernardino Basin Area under the Western Judgment, and in the case of Valley District, in addition to the amounts which may be extracted therefrom without replenishment obligation. The parties agree that the amount of temporary additional water which may be extracted from the San Bernardino Basin Area Artesian Zone pursuant to and during the term of this Agreement shall be unlimited. Such extractions and exports shall be excluded from the Watermaster's determination regarding compliance with the terms of the Western Judgment or its determination regarding the need for replenishment.

For purposes of determining the amount of temporary additional water extractions, any water produced for discharge into the Santa Ana River pursuant to this Agreement shall be temporary additional water. With respect to water extractions under the Western Judgment which are not discharged into the Santa Ana River, the production from the San Bernardino Basin Area during the first six months of the year, ending June 30, 1985, shall be accounted for by the Western Judgment watermaster as follows:

(a) Riverside

Any production during the first six months of the year, ending June 30, 1985, which will cause Riverside to exceed its annual right to deliver 49,542 acre-feet of water to areas

outside the Valley District, and its annual right to deliver 1,427 acre-feet to the San Bernardino Basin Area shall be counted as temporary additional water rather than production under these rights.

(b) Other Plaintiffs

Plaintiffs other than Riverside may request the option to participate in this Agreement. Each such plaintiff may take temporary additional water for its own use during the first six months of 1985, and to the extent such use exceeds its base right for the year, the amount in excess of the base right shall be counted as temporary additional water. Each participating plaintiff will agree to maximize production from the Artesian Zone to the extent possible before relying on other water sources available to it which are physically capable of serving the same area.

(c) Entities Other Than Plaintiffs

Any production during the first six months of the year, ending June 30, 1985, which will cause extractions from the San Bernardino Basin Area for use by entities other than plaintiffs under the Western Judgment within San Bernardino County to exceed the annual amount of 167,238 acre-feet which can be produced without any replenishment obligation shall be counted as temporary additional water rather than production for which replenishment is required under paragraph VI(c) of the Western Judgment.

10. It is the intent of this Agreement to maximize production of water from the Artesian Zone by Riverside.

requirements during 1985 before utilizing its other available sources of water, unless there are areas within its service area which cannot be serviced from San Bernardino wells. The parties agree that if Riverside extracts less than 49,542 acre-feet for use outside the Valley District or 1,427 acre-feet for use within the San Bernardino Basin Area during 1985 the amount of such under extractions shall not be available for extraction by Riverside in a subsequent year, notwithstanding any provision of the Western Judgment to the contrary.

Therefore Riverside agrees that it will make maximum utilization

of its production capacity in the Artesian Zone to meet its water

11. The term of this Agreement is for the first six months of the year, ending June 30, 1985.

12. Monitoring of Groundwater Levels

Monitoring Wells. The following wells have been selected to monitor ground water levels within the Artesian Zone:

17		State Well	Minimum Water	Ground Surface
18	Well Name	Number	Level	Elevation
19	A.R. Trailer Ct.	1S4W11H01	975 Feet MSL	1051 Feet MSL
20	Mecham	1N4W35L02	975 Feet MSL	1129 Feet MSL
21	Mill & "D" St.	184W10N06	960 Feet MSL	1001 Feet MSL
22	EVWD Well 11A	1S4W02Q05	970 Feet MSL	1055 Feet MSL
23	16th & Sierra Way	1N4W34G03	980 Feet MSL	1136 Feet MSL
24	Valley District shall	take such wa	ter level measu	rements in these
25	wells as may be necessa	ary to prope	rly administer	this Agreement.
26	An average yearly water	r level shal	l be determined	for each of
27	these five wells, based	d upon the m	onthly averages	for each such

well. In the event that (1) the yearly average in any three of the five wells should fall below the minimum water levels provided for in this Paragraph, or (2) the yearly average in any three of the five wells should drop more than 15 feet in any year; then no further additional water shall be extracted, and the provisions of this Agreement shall be suspended.

- 13. <u>Production by Riverside or Other Plaintiffs Within</u>
 Western District
- (a) Orange District shall determine, on a day-to-day basis, whether the water to be extracted by Riverside, or other participating plaintiffs with production facilities in the Artesian Zone, as provided for herein, is usable by it in its replenishment spreading activities within Orange District and Riverside shall use its available and unused system capacity to discharge said water to the Santa Ana River.
- (b) All water extracted and transported by each producer shall be measured prior to discharge to the Santa Ana River by a method of measurement acceptable to the parties hereto.
- (c) Each producer shall read the meters at least weekly and at the end of each month. A monthly statement of the amounts extracted and transported to the Santa Ana River which have been determined by Orange District to be usable by it at each point of discharge shall be sent to Orange District by the 10th day of each succeeding month.
 - 14. Production by City of San Bernardino
- (a) Orange District shall determine, on a day-to-day basis, whether the water to be extracted by San Bernardino, as provided

for herein, is usable by it in its replenishment spreading activities within Orange District and San Bernardino shall use its available and unused system capacity to discharge said water to the Santa Ana River.

- (b) All water extracted and transported by San Bernardino shall be measured prior to discharge to the Santa Ana River by a method of measurement acceptable to the parties hereto.
- (c) San Bernardino shall read the meters at least weekly and at the end of each month. A monthly statement of the amounts extracted and transported to the Santa Ana River which have been determined by Orange District to be usable by it at each point of discharge shall be sent to Orange District by the 10th of each succeeding month.
- 15. <u>Production by Other Existing Producers Within Valley</u>
 District
- (a) Orange District shall determine, on a day-to-day basis, whether the water to be extracted by Valley District, and other entities which have agreed to extract water, as provided for herein, is usable by it in its replenishment spreading activities within Orange District.
- (b) All water extracted and transported by each producer shall be measured prior to discharge to the Santa Ana River by a method of measurement acceptable to the parties hereto.
- (c) Each producing entity shall read its meters at least weekly and at the end of each month. A monthly statement of the amounts extracted and transported to the Santa Ana River which have been determined by Orange District to be usable by it at

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producing entity. 19 20

16. Reimbursement for Costs of Production by Orange District

10th day of each succeeding month.

(a) Reimbursement to Riverside: Orange District shall reimburse Riverside its extraction and transportation costs for water extracted by Riverside as determined by Orange District to be usable by it, and in accordance with the following schedule:

each point of discharge shall be sent to Valley District by the

- 1) \$30.00 per acre-foot for the first 8,000 acre-feet.
- 2) \$23.00 per acre-foot for each additional acre-foot.
- (b) Reimbursement to Other Plaintiffs Within Western District Producing Water from the Artesian Zone: Orange District shall reimburse other Artesian Zone producers within Western which have agreed to extract water pursuant to the terms of this Agreement for such water as Orange District has determined is usable by it in accordance with their costs, as determined individually by a method acceptable to Orange District and the
- (c) Reimbursement to Valley District and San Bernardino: Orange District shall reimburse Valley District and San Bernardino for extraction costs for water extracted by San Bernardino and other existing producers within Valley District as determined by Orange District to be usable by it at the actual energy cost of such pumping, but not less than \$11.00 per acrefoot, for water delivered into the Santa Ana River near the Bunker Hill Dike in San Bernardino County. Out of the sum due from Orange District to Valley District and San Bernardino,

and not by cash payment.

17. Reimbursement of Costs of Production by Valley District and San Bernardino

Orange District shall first reimburse Valley District for any

others pursuant to paragraphs 17 or 18 hereof (whether or not

District) and shall pay the balance to San Bernardino. Amounts

issuance of a credit memo by Orange District crediting Valley

District with payment in the amount indicated, to be applied on

the Valley District's existing indebtedness to Orange District,

to be paid to Valley District by Orange District shall be paid by

such extraction was approved for reimbursement by Orange

amounts theretofore paid by Valley District to San Bernardino or

Valley District and San Bernardino agree to share the cost of production of temporary additional extractions of groundwater made at the request of San Bernardino as follows:

- (a) Water extracted by Riverside at San Bernardino's request shall be paid for by San Bernardino at \$23.00 per acre-foot.
- (b) For water extracted and transported to the Santa Ana River by San Bernardino pursuant to this Agreement whether or not approved for reimbursement by Orange District, Valley District shall pay San Bernardino one-half the actual energy cost of such pumping.
- (c) For water extracted and transported to the Santa Ana River pursuant to this Agreement by other producers whether or not approved for reimbursement by Orange District, Valley District shall pay one-half the actual energy cost of such

 pumping and San Bernardino shall pay the remaining one-half of such cost.

- (d) In no event shall Valley District's obligation to pay for production of temporary additional extractions of water or other costs pursuant to this Agreement exceed the sum of \$50,000.00.
- 18. All capital costs incurred by Riverside to deliver temporary additional extractions of groundwater from the Artesian Zone into the Santa Ana River near the Bunker Hill Dike in San Bernardino County shall be paid for 50% by San Bernardino and 50% by Valley District except that such capital improvements shall not be undertaken without approval of plans and cost estimates by San Bernardino and Valley District.

19. Place of Use

Notwithstanding any provision in the Western Judgment, additional water may be used, or sold for use, anywhere within the Santa Ana River watershed. The replenishment obligations provided in Paragraph X of the Western Judgment shall not apply to the use of additional water, irrespective of its place of use.

20. Place of Extraction

In order to produce the maximum impact upon high groundwater levels, additional water may be extracted only from the San Bernardino Basin Area Artesian Zone.

21. <u>Limitiation Upon Acquisition of Rights</u>

This Agreement is not intended to and shall not change or affect any provision of the Western Judgment, or any rights or obligations granted or imposed thereunder, and shall not create

any new rights to extract groundwater from the San Bernardino

Basin Area, except for the temporary extraction of additional

water as provided herein. None of the parties hereto, nor any

or using additional water, shall claim or acquire any new or

from the San Bernardino Basin Area. The parties hereto shall

require any person extracting or purchasing water pursuant to

one making extractions pursuant to this Agreement, or purchasing

added rights, or any continuing right, to extract or export water

this Agreement to specifically agree to be bound by the foregoing

terms (as well as the remaining provisions of this Agreement) and

to waive any claim to establish rights to water arising from the

extraction of additional water as contemplated herein, and the

parties shall insert provisions to that effect in any agreement

redetermination of the safe yield under the Western Judgment.

entered into with others to implement this Agreement.

herein shall affect the right of any party to seek a

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22. Prior Agreements

Three prior agreements relate to additional extractions from the San Bernardino Basin Area. These agreements are all dated December 22, 1981, and are among: (1) Western and Valley District; (2) the Valley District, San Bernardino, and Riverside; and (3) the Valley District and San Bernardino. Riverside may extract its full entitlement allowed under these said prior agreements and it shall pay for such water pursuant to the terms and conditions of these said prior agreements. Extractions made pursuant to the prior agreements shall not be accounted for under the terms of this Agreement.

23. Approval of Court

The parties to the Western Judgment shall submit this Agreement to the Court for approval under its continuing jurisdiction in the case of "Western Municipal Water District of Riverside County v. East San Bernardino County Water District et al.", Riverside Superior Court No. 78426, as soon as possible, and no later than March 15, 1985, and court approval shall be obtained no later than March 30, 1985, or this Agreement shall then terminate.

24. Orange County Judgment

Nothing in this Agreement shall affect the rights and obligations of the parties to the Judgment in "Orange County Water District v. City of Chino et al.", Orange County Superior Court No. 117628, and credit shall accrue at Prado and at Riverside Narrows for adjusted base flow as provided in said Judgment, including any additional base flow resulting from extraction of additional water provided for herein, but by reason of the emergency conditions affecting the public health, safety, and welfare, Orange District shall not be in violation of the provision in Paragraph 5(d) of said Judgment enjoining it from "pumping, producing and exporting or directly or indirectly causing water to flow from upper to lower area" by reason of its participation in this Agreement or payments pursuant hereto.

25. Termination

This Agreement shall terminate and be of no further force and effect on June 30, 1985.

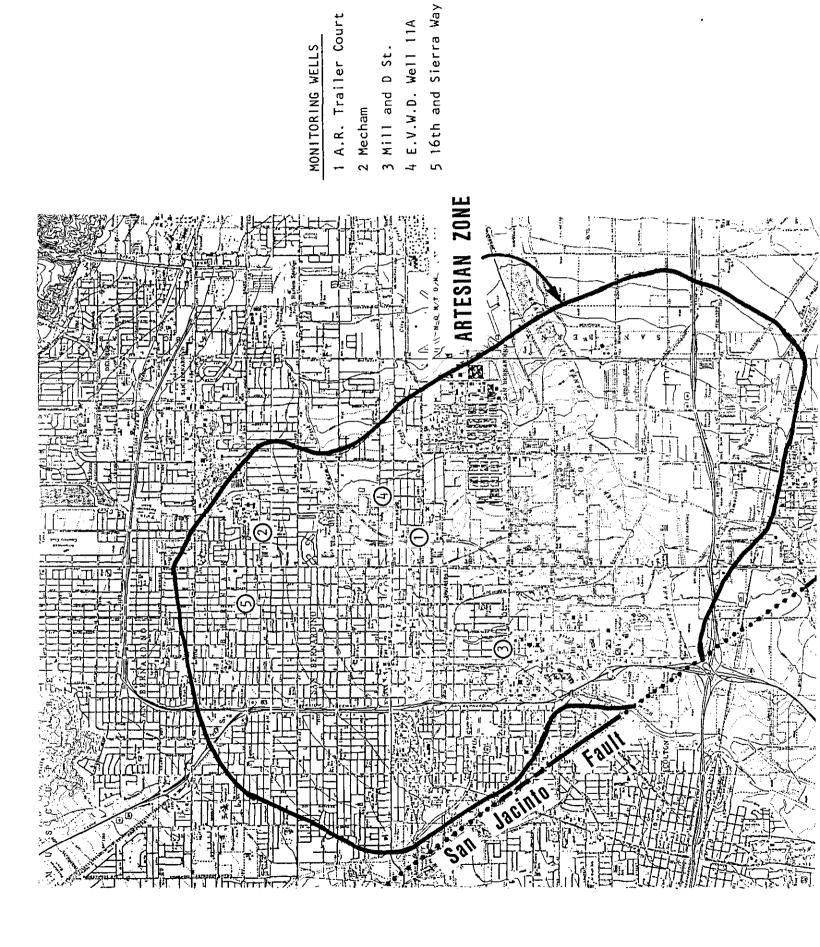
Production and Reimbursement Agreement

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1	IN WITNESS WHEREOF the par	ties have executed this Agreement
2	as of the date indicated above.	,
3		SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
4		WAIER DISIRIOI
5		By: Wankenne & President, Board of Directors
6	ATTEST:	Tipolasijo, Boara of Briodoori
7	Mon Talma	
8	Secretary, Board of Directors	
9	APPROVED AS TO FORM AND EXECUTION:	
10	Jamesh Deworth	
11	General Counsel	
12		WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY
13		OF REVERSED COUNTY
14		By: All Handricksar V.P. Fresident, Board of Directors
15	ATTEST, \	<i>you</i> , zoura ex z <u>r</u> rection
16	Warned H. Halenh	
17	Secretary, Board of Directors	
18	APPROVED AS TO FORM AND EXECUTION:	
19	ann T. Mamus	
20	General Counsel	
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Production and Reimbursement Agreement

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1		ORANGE COUNTY WATER DISTRICT
2		By: John Garthe
3		President, Board of Directors
4	Neil M. Cline	
5	Secretary, Board of Directors	-
6	APPROVED AS TO FORM AND	
7	EXECUTION:	1
8	General Counsel	·
9		CITY OF RIVERSIDE
10		CA Bon
11		By: Mayor
12	ATTEST:	
13	alice a. Har	
14	City Clerk	
15	APPROVED AS TO FORM AND EXECUTION:	
16	In his Wood leed	
17	Oley Attorney	
18		CITY OF SAN BERNARDING
19		By: Mayor
20	A DIME CO.	wayor (
21	ATTEST:	
22	City Clerk	
24	APPROVED AS TO FORM AND	
25	EXECUTION:	
26	City Attorney	
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VERIFICATION

	I have read the foregoing					
	and know its contents.					
_	☑ CHECK APPLICABLE PARAGRAPH					
]	I am a party to this action. The matters stated in it are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.					
j	I am □ an Officer □ a partner □ aof					
]	a party to this action, and am authorized to make this verification for and on its behalf, and I make this verification for that reason. I have read the foregoing document and know its contents. The matters stated in it are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true. I am one of the attorneys for————————————————————————————————————					
	I am informed and believe and on that ground allege that the matters stated in it are true.					
	Executed on					
	I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.					
	Signature					
	ACKNOWLEDGMENT OF RECEIPT OF DOCUMENT (other than summons and complaint)					
	Received copy of document described as					
	on					
	Signature					
	PROOF OF SERVICE BY MAIL					
	THAT AT AMELIAM ME WITTEN					
	STATE OF CALIFORNIA, COUNTY OF I am employed in the county of Riverside , State of California.					
	I am over the age of 18 and not a party to the within action; my business address is: 4200 Orange Street, Riverside, CA 92502					
	On March 11 1985 I served the foregoing document described as Notice of Motion for Ord Approving Agreement and Allowing Temporary Additional Extractions of Water from the San Bernardino Basin Area; and Order Thereon					
	on Attorneys of Record					
	in this action by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at: Riverside, CA					
	addressed as follows:					
	See attached list					
	,					
	(BY MAIL) I caused such envelope with postage thereon fully prepaid to be placed in the United States mail at Riverside California.					
}	(BY PERSONAL SERVICE) I caused such envelope to be delivered by hand to the offices of the addressee. Executed on					
	(State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct. (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.					
	talinesstander					
	STUART'S EXBROOK TIMESAVER (REVISED 7/81)					

1 2 JOHN WOODHEAD, Esq. City Attorney City of Riverside 3900 Main Street Riverside, California 92501 5 CLAYSON, MANN, AREND & YAEGER 601 South Main Street 6 Corona, California 91720 7 MAURICE C. SHERRILL, Esq. Redwine & Sherrill 3737 Main Street, Suite 1020 Riverside, California 92501 10 | Office of General Counsel University of California 2200 University Avenue Berkeley, California 94720 12 MARTIN MCDONOUGH, Esq. 13 McDonough, Holland & Allek 555 Capitol Mall; Suite 950 14 | Sacramento, California 95814 15 | JAMES W. DILWORTH 5225 Canyon Crest Drive Building 400, Suite 409 Riverside, California 92507 17 18 19 20 21 22 23 24 25 26

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Also, see Legal Document #'s 1192 + 1193