TWELFTH AMENDMENT TO AGREEMENT REGARDING ADDITIONAL EXTRACTIONS FROM THE SAN BERNARDINO BASIN AREA

This Twelfth Amendment to Agreement Regarding Additional Extractions from The San Bernardino Basin Area is entered into between the San Bernardino Valley Municipal Water District, hereinafter called "Valley District," and the Western Municipal Water District of Riverside County, hereinafter called "Western."

RECITALS

On December 22, 1981, the parties hereto entered into an Agreement providing for additional extractions from the San Bernardino Basin Area by or on behalf of the City of Riverside, and pursuant to later amendments by other producers, upon the terms and conditions specified therein. Paragraph 8 of the Agreement provides that it may be amended with mutual consent of the parties in writing, and the parties desire now to amend the Agreement further in order to provide for increased extractions from the effective date hereof, through December 31, 1999, and for the export of such water for use in Orange County.

Efforts have been made under the Eleventh Amendment and prior amendments to the 1981 Agreement to lower groundwater levels in the pressure zone of the San Bernardino Basin Area. Despite such additional extractions, groundwater levels in the area have recently responded to extraordinary hydrologic conditions, and have reached the highest levels experienced since 1981. Damage to property and injury to persons are threatened. It is in the public interest, and in the interest of sound water resources management, that additional extractions be sanctioned in order to lower such groundwater levels, and that the water produced be put to beneficial use.

Tentative arrangements have been made with producers from the pressure zone to increase their extractions, and with the Orange County Water District to put the water to beneficial use.

AGREEMENT

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. Other Amendments Unaffected.

This Twelfth Amendment is in addition to any other amendments to the 1981

Agreement, including any subsequent amendments, and shall have no effect upon the rights and obligations provided in any such amendments.

2. <u>Definition of Additional Extractions</u>.

As used herein, the term "additional extractions" means any extraction of the natural groundwater supply by the plaintiffs in the action described in Paragraph 2, on page 1 of the December 22, 1981 Agreement in excess of the amounts permitted by the Judgment in such action, or by any amendments to such Agreement; and with respect to entities other than the plaintiffs in such action, the term means any extractions of natural groundwater in excess of the total amount of water that can be produced without any replenishment obligation, or produced pursuant to any such amendments to the 1981 Agreement. No replenishment obligations shall be incurred on account of any additional extractions made pursuant to this Amendment.

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3. Total Additional Extractions for the Period Ending December 31, 1999.

It is agreed that there is an existing temporary surplus of natural groundwater supply in the artesian zone of the San Bernardino Basin Area, in addition to the needs of the producers therefrom, and that it is in the public interest and in the interest of sound groundwater resources management that the production of water therefrom be increased for the period from the effective date of this Amendment until December 31, 1999 by up to 10,000 acre-feet of additional extractions. The water pumped and delivered hereunder is part of the natural water supply to the San Bernardino Basin Area, and shall be so accounted for by the Watermaster under the Western Judgment. It is not water from the State Water Project.

4. <u>Authorized Producers</u>.

The Valley District shall designate the entities authorized to make additional extractions under this Amendment, and shall determine from time to time the amounts which any such entity may be allowed or required to pump. The terms and conditions of such additional extractions shall be in accord with this Twelfth Amendment, and shall be memorialized by written agreement among the Valley District, Western and each participating pumper.

5. Beneficial Use of Additional Extractions.

The groundwater pumped pursuant to this Amendment shall be discharged into the Santa Ana River or its tributaries for use within the Orange County Water District (hereinafter called "Orange County"). Responsibility for any construction or capital expenditures necessary to deliver the water to the River or its tributaries shall be included

in the agreement with the pumping entity. Such agreement shall also provide for the measurement of both the quantity and quality of such deliveries. To the extent feasible, the blended quality thereof shall be controlled so as to meet the Objectives of the Regional Water Quality Control Plan. Orange County shall pay to Valley District the sum of \$150.00 per acre-foot of water delivered to the Santa Ana River or its tributaries. A separate agreement, including such terms and conditions as may be necessary, shall be executed by Orange County, Valley District and Western prior to making any such deliveries.

6. Application of Proceeds from Orange County.

Payments received by the Valley District from Orange County for such deliveries of water shall be separately accounted for. Each pumping entity shall be reimbursed for the actual energy costs which it incurs in pumping the additional extractions allowed under this Amendment, together with a uniform sum of \$10.00 per acre foot for the use of capital facilities and other costs. The difference between the amounts received from Orange County and the amounts paid to participating pumpers shall be used for water quality protection and improvements in the Upper Basin, for conservation, or for other water management programs including the implementation of this Amendment, all as agreed upon by Valley District and Western. The collection, payment and expenditure of all such funds shall be administered by the Valley District.

7. Regulatory Requirements.

Compliance with the California Environmental Quality Act, and any permits required by the Santa Ana Regional Water Quality Control Board or other regulatory agency, shall be the joint responsibility of the Valley District and Western.

DATED: January 6, 1999.

SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT
BV:
President
By EQ O & K Th.

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY

Secretary

President

By Ester E Postinf.

Secretary