LAW OFFICES OF BEST BEST & KRIEGER LLP 3390 UNIVERSITY AVENUE, 5TH FLOOR P.O. BOX 1028 RIVERSIDE, CALIFORNIA 92502	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	COUNTY OF S. CHINO BASIN MUNICIPAL WATER	
	17 18	CHINO BASIN MUNICIPAL WATER DISTRICT,	Case No. RCVRS 51010 Judge: Stanford E. Reichert
	19	Petitioner,	-[Proposed] ORDER
	20		[filed with Notice of Mot. and Mot. to Approve Amendments to Appropriative
	21	CITY OF CHINO, et al., Defendants.	Pool Pooling Plan and CtApproved Management Agreements; and Decl. of Sarah Christopher Foley]
	22 23		Date: March 15, 2019
	24		Time: 1:30 p.m. Dept.: S35
	25		
	26		
	27		
	28		-1-
			-1- ned] Order

(

line

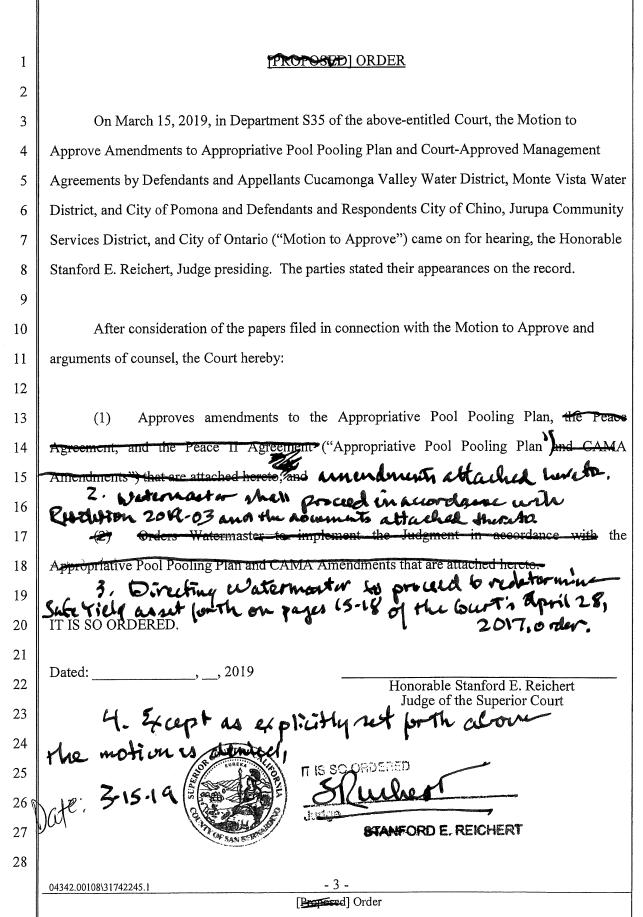
2

LAW OFFICES OF BEST BEST & KRIEGER LLP UNIVERSITY AVENUE, 5TH FLOOR P.O. BOX 1028 RIVERSIDE, CALIFORNIA 92502	14	THOMAS S. BUNN III, Bar No. 89502 tombunn@lagerlof.com LAGERLOF SENECAL GOSNEY & KRUSE LLP 301 N. Lake Avenue, 10th Floor Pasadena, CA 91101-5123 Tel.: (626) 793-9400 Fax: (626) 793-9400 Fax: (626) 793-5900 Attorneys for Defendant and Appellant City of Pomona ARTHUR G. KIDMAN, Bar No. 61719 akidman@kidmanlaw.com ANDREW B. GAGEN, Bar No. 61719 akidman@kidmanlaw.com ANDREW B. GAGEN, Bar No. 212257 agagen@kidmanlaw.com KIDMAN GAGEN LAW LLP 2030 Main Street, Suite. 1300 Irvine, CA 92614 Tel.: (714) 755-3110 Attorneys for Defendant and Appellant Monte Vista Water District JIMMY L. GUTIERREZ, Bar No. 59448 jimmy@city-attorney.com JIMMY L. GUTIERREZ, A LAW CORPORATION 12616 Central Avenue Chino, CA 91710 Tel.: (909) 591-6336 Event (909) 591-6336
8 3390 UN RIV	15 16 17	Fax: (909) 717-1100 Attorneys for Defendant and Appellee City of Chino ROBERT E. DONLAN, Bar No. 186185
	18 19	red@eslawfirm.com ELLISON SCHNEIDER HARRIS & DONLAN LLP 2600 Capital Avenue, Suite 400 Sacramento, CA 95816 Tel.: (916) 447-2166
	20	Fax: (916) 447-3512
	21 22	Attorneys for Defendant and Appellee Jurupa Community Services District FREDERIC A. FUDACZ, Bar No. 50546
	22	ffudacz@nossaman.com NOSSAMAN LLP
	24	777 S. Figueroa Street, 34th Floor Los Angeles, CA 90017
	25	Tel.: (213) 612-7800 Fax: (213) 612-7801
	26	Attorneys for Defendant and Appellee City of Ontario
	27	
	28	04342.00108\31742245.1 - 2 -
		[Preposed] Order

(

-

(



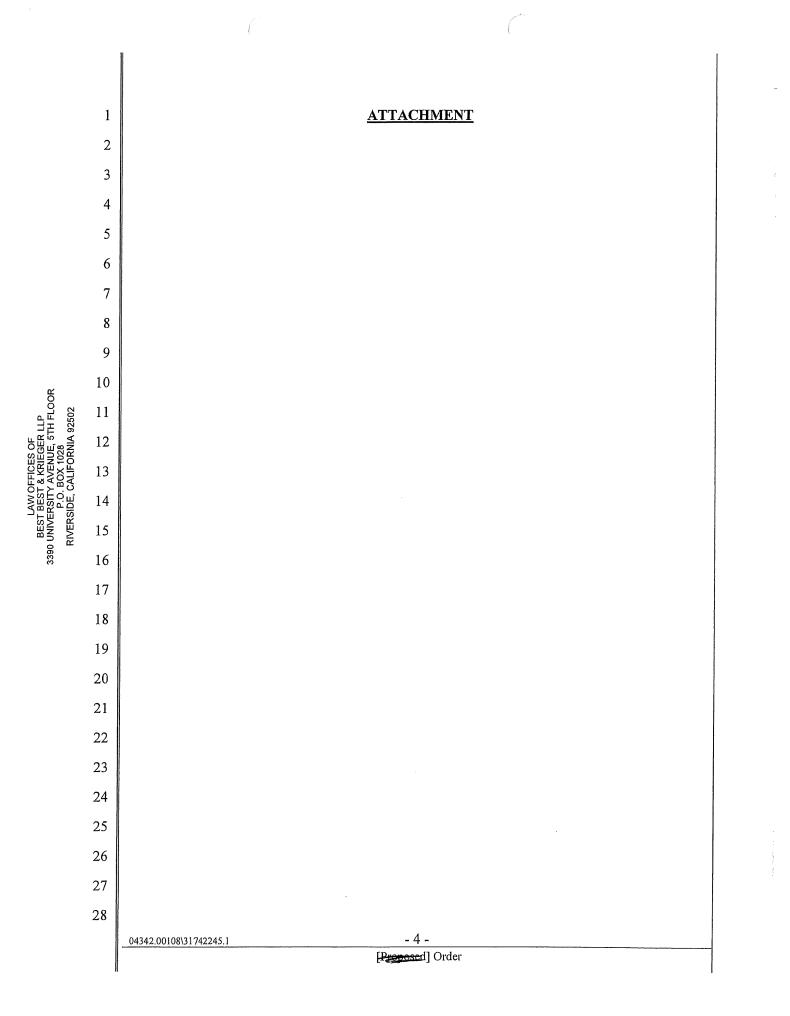


Exhibit A

Proposed Changes to Appropriative Pool Pooling Plan and CAMA

1. Appropriative Pool Pooling Plan. The introductory sentence to Exhibit H, ¶10 of the Judgment is amended to read as follows:

10. <u>Unallocated Safe Yield Water</u>. To the extent that, in any *year* five years, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

2. Early Transfer

A. Section 1.1(o) of the Peace Agreement is amended to read as follows:

(o) "Early Transfer" means the reallocation of Safe Yield not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis *after the allocations in subdivisions (a)(1) and (a)(2) of rather than according to the five year increment described in Paragraph 10 of Exhibit "H" of the Judgment;*

B. Section 5.3(g) of the Peace Agreement is amended to read as follows:

(g) Watermaster shall approve an "Early Transfer" of water to the Appropriative Pool in an amount not less than 32,800 acre-feet per year-that is the expected approximate quantity of water not Produced by the Agricultural Pool on un annual basis The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre-feet of (ii) 32,800 acre-feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year-that is remaining after all the land use conversions are satisfied pursuant to 5.3(*h*²) below.

- The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.
- (ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre-feet in any five years as provided in the Judgment.
- (iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.
- (iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;

24	
25	l Proposed Chauges to Appropriative Pool Pooling Plan and CAMA CAUsers\tombunn\OneDrive\Safe yield reset\Settlement\Exhibit A - Proposed Ameudments to Appropriative Pool Pooling Plan and CAMA 11- 21-18 (clean),dox
26	
27	
28	
	04342.00108\31742245.1 - 5 -

[Proposed] Order

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

	1	
	2	
	3	
	4	(v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.
	5	 Conversion Claims. Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:
	6	(i) For the term of the Peace Agreement and any extension thereof, in any year in which
	7	sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0
	8	acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.
	9	 Controlled Overdraft. Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year
ЯС	10	period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.
LP H FLO(2502	11	5. New Yield. Section 7.1 of the Peace II Agreement, entitled "New Yield Attributable to Desalters," is
DFFICES OF T & KRIEGER LLP Y AVENUE, 5TH FLC BOX 1028 CALIFORNIA 92502	12	 deleted. It is replaced by new section 6.2(b)(ii) as set forth in section 6 below. 6. Desalter Replenishment. Section 6.2(b) of the Peace II Agreement is amended to read as follows;
BOX 10 CALIFO	13	(b) To the extent available credits are insufficient to fully offset the quantity of groundwater
	14	production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool
LAW BEST BES UNIVERSIT P.O RIVERSIDE,	15	and the Appropriative Pool to meet any remaining replenishment obligation as follows.
3390 F	16	(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit "G" paragraph 8(e) 5(c) to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters.
	17	However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special
	18	Assessment levied by Watermaster will be distributed as provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member's share of Safe Yield.,
	19	followed by (ii) The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter
	20	(h) The members of the Appropriative Foot wat controlled a total of 10,000 apy toward Desalter replenishment, allocated among Appropriative Pool members as follows:
	21	(1) 85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and
	22	(2) 15% of the total (1,500 afy) will be allocated according to each land use conversion agency's percentage of the total land use conversion claims, based on the actual land
	23	use conversion allocations of the year.
	24	2
	25	Proposed Changes to Appropriative Pool Pooling Plan and CAMA CAUserstombunnOneDrive/Safe yield reset/Settlement/Exhibit A - Proposed Amendments to Appropriative Pool Pooling Plan and CAMA 11- 21-18 (clean).docx
	26	
	27	
	28	
		04342.00108\31742245.1 - 6 -

÷

ſ

The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

Desalter replenishment obligation contribution = (8,500 * % Appropriator's share of total initial 49,834 afy Operating Safe Yield) + (1,500 * % Appropriator's proportional share of that year's total conversion claims)

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

(iii) (iii) A Replenishment Assessment against the Appropriative Pool for any remaining Desalter replenishment obligation after applying both 6(b)(i) and 6(b)(ii), allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below. pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may reevaluate whether to continue the exclusion of Desalter Production-but-only-after giving due regard to the contractual commitment of the parties.

(iv) Adjusted Physical Production is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool member's groundwater wells in the Chino Basin, including water transferred from the Non-Agricultural Pool under Exhibit G, ¶9 of the Judgment), with the following adjustments:

(1) In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members under Exhibit G, ¶6 of the Judgment, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the party making beneficial use of the water, not the actual producer.

(2) Production offset credits pursuant to voluntary agreements under section 5.3(i) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%).

Proposed Changes to Appropriative Pool Pooling Plan and CAMA C:\Users\umbunn\UneDrive\Safe yield reset\Settlement\Exhibit A - Proposed Amendments to Appropriative Pool Pooling Plan and CAMA 11-21-18 (clean).docx

04342.00108\31742245.1

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

LAW OFFICES OF BEST BEST & KRIEGER LLP 3390 UNIVERSITY AVENUE, 5TH FLOOR P.O. BOX 1028 RIVERSIDE, CALIFORNIA 92502

(3)	Production associated with approved storage and recovery programs (e.g., Dry Year
	Yield recovery program with MWD) is not counted in Adjusted Physical Production,
	except for in-lieu participation in such programs: in-lieu put quantities shall be added
	to physical production, and in-lieu take quantities shall be subtracted from physical
	production.

- (4) Metered pump-to-waste Production that is determined by Watermaster to be subsequently recharged to the groundwater basin is deducted from physical production; unmetered pump-to-waste production that is determined by Watermaster not to be subsequently recharged to the groundwater basin is added to physical production.
- (5) The Appropriative Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production, with the exception of Non-Agricultural Pool water assigned or transferred under Exhibit G, ¶6 or ¶10 of the Judgment.
- (v) Any member of the Non-Agricultural Pool that is also a member of the Appropriative Pool may elect to transfer (a) some or all of the annual share of Operating Safe Yield of the transferor in and for the year in which the transfer occurs (except that such transfer shall exclude any dedication to the Watermaster required by section 6.2(b)(1)), and (b) any quantity of water held in storage by the transferor (including without limitation carryover and excess carryover) to any member of the Appropriative Pool, in either case at any price that the transferor and transferee may deem appropriate and for the purpose of satisfying the transferee's desalter replenishment obligation. The transferee's desalter replenishment obligation shall be credited by the number of acre-feet so transferred.
- (vi) (iii)-The quantification of any Party's share of Operating Safe Yield does not include *either* land use conversions or Early Transfers.
- 7. Allocation of Non-Agricultural Pool OBMP Special Assessment. The introductory sentence of section 9.2(a) of the Peace II Agreement is amended to read as follows:

a. For a period of ten years from the effective date of the Peace II Measures, any water (or financial equivalent) that may be contributed from the Overlying (Non-Agricultural) Pool in accordance with paragraph $\frac{S(c)}{S(c)}$ of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriative Pool in each year as follows:

4
Proposed Changes to Appropriative Pool Pooling Plan and CAMA
CAUSerstombunn/OneDrive/Safe yield reset/Settlement/Exhibit A - Proposed Amendments to Appropriative Pool Pooling Plan and CAMA 1121-15 (clean).docx

LAW OFFICES OF BEST & KRIEGER LLP 3390 UNIVERSITY AVENUE, 5TH FLOOR P.O. BOX 1028 RIVERSIDE, CALIFORNIA 92502

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

04342.00108\31742245.1

<u></u>	28	27	26	25	24	23	22	21	20	18 19	17	15 16	14	13	11 12	10	9	8	7	6	J	4	ω	2	,
04342.00108\31742245.1				Sche Calcu	dule for ulation o	Use of Of Remai	Re-Oper ning Des	ation W alter Re	ater**, ar	ent Obligation	ı (DRO)														
				Prod	luction Y	(ear		2	013-14	2014-15	2015-1	6 2016	-17	2017-18	2018-19	2	019-20	2020-	-21	2021-	-22				
				Peac	e i Desa	lter Proc	duction	2	9,227.997	29,541.30	0 27,008.	810 26,27	5.588	30,000.00	0 30,000.0	00 30	0,000.000	30,00	0.000	30,000	0.000				
				Appr	ropriativ	alter Pro re Pool D			14.555		-		7.215	10,000.00			0,000.000		0.000						
				Re-O		n Water tural Poo				(10,000.00 (12,500.00			-						-						
A					ssment		и	<u></u>	0.000	0.00	00.0	000 (73	5.000}	(735.000) [735.0	00)	(735.000)	(735	5.000)	(735	6.000)				
						Rem	naining D	RO	6,742.552	7,489.99	0 5,662.	862 4,56	57.803	16,765.00	0 16,765.0	100 10	6,765.000	16,76	5.000	16,765	5.000				
- 9 -				Prod	luction Y	ſear		2	022-23	2023-24	2024-2	5 2025	-26	2026-27	2027-28	2	028-29	2029-	-30						
)rder				Peac	e i Desa	ilter Proc	duction	3	0,000.000	30,000.00	0 30,000.	.000 30,00	0.000	30,000.00	0 30,000.0	000 30	0,000.000	30,00	0.000						
						alter Pro ve Pool "I		1	0,000.000	10,000.00	10,000	.000 10,00	000.000	10,000.00	0 10,000.0	000 10	0,000.000	10,00	0.000						
					tribution					(10,000.00															
				Non-		n Water tural Poc		(12	(735.000)	(12,500.00			0.000) 5.000)	(5,000.00) (735.00)			(735.000)		5.000)						
				ASSE	3311EN		naining C		6,765.000					24,265.00			4,265.000								

.

N	\mathbf{N}	\mathbf{N}	\sim	N	N	N	N	\mathbf{N}	1	<u> </u>	د	فسيبر)i	here we have a second se	استحج		ن ــــز										
28		6	ίλ.	4	ú	Ň	فسنغ	Ö	9	∞	7	6	S	4	ŝ	2		0	9	∞	7	6	S	4	ŝ	2	

Attachment: Peace II Agreement, Section 6.2(b)(ii)

Allocation of Appropriative Pool Desalter Replenishment Obligation (DRO) Contributions (by agency)

Production Year 2013-14 Desalter Replenishment Obligation (DRO) Contribution:

04342.00108\31742245.1

F

- 10 -

10,000.000 AF

		on Year 2013/14 Common C proved 2014/2015 Assessm			Methodology for between shares of Operating id % of Land Use Conversion	
	à	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f=d+e
Appropriative Pool Party	Percent of	Land	Percent of	85% DRO Contribution Based on	15% DRO Contribution Based on	Desalter
	Operating Safe Yield (Column 2A)	Use Conversions (Page 12A)*	Land Use Conversions	Percent of Operating Safe Yield	Percent of Land Use Conversions	Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.00
Thino Hills, City of	3.851%	1,133.906	4.334%	327.335	65.013	392.34
Chino, City of	7.357%	7,623.064	29.138%	625.345	437.074	1,062.41
Lucamonga Valley Water District	6.601%	598.364	2.287%	561.085	34.308	595.39
ontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.84
ontaria Water Company	0.002%	834.000	3.188%	0.170	47.818	47.98
ontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.00
Solden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.75
urupa Community Services District	3.759%	13,876.196	53.040%	319.515	795.602	1,115.11
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.57
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.89
Monte Vista Water District	8.797%	55.075	0.211%	747.745	3.158	750.90
Viagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.00
Vicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.55
Narca, City of	0.368%	0.000	0.000%	31.280	0.000	31.26
Ontario, City of	20.742%	2,041.095	7.802%	1,763.070	117.028	1,880.09
Pomana, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.59
an Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.58
an Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.00
anta Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.70
Jpland, City of	5.202%	0.000	0.000%	442.170	0.000	442.17
Vest End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.88
Vest Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.87
· · · · · · · · · · · · · · · · · · ·	100.000%	26,161.700	100.000%	8,500.000	1,500.000	10,000.00

Printed On: 9/13/2018 4:44 PM

C / C / /																				
04342.00108\31742245.1									Atta	hment: P	eace II Agr	eement. Se	ction 6.2	(b)(ііі))					
2100							Allo	cation o			ol Remainin					0)				
174											Production	rear 2013-14	:			acre-feet				
224												oduction - Pe		ation		29,227.99	7			
ţ,												oduction - Pe				14.55				
-									-	Total Desalt	er Replenish	ment Obligat	on (Total [DRO):		29,242.55	2			
									De	salter Reple	nishment Ob	ligation Cont	ibution (D	ROC)		(10,000.00	0)			
1										•			peration V			(12,500.00	D)			
														RDRO		6,742.55	2			
								Operat				n Year 2013/14			•	Methodology for Calculation of Adjusted	Methodology Calculation			
								Safe Yi		(Fro	m Approved 201	1/2015 Assessm	nt Package - I	ppendix /	A) .	Physical Production (APP				
				Ann	opriative Po	ini Party											Individual Pa RDRO =			
								3		ь	c	đ			ŧ	APP = [b+(c*50%)+d+e+f	((a+APP)/(To + Total APP) RDRO			
- 11 -							ł	Assessi				,	Stora							
1.								Paacka			Voluntary		and			"Note: APP for City of Chi	no			
								Page 2 Column		Physical Production	Agreements (w/Ag)	Assignments (w/Non-Ag)	Recov Progra		Other Adjustments	does not include "Other Adjustments" for this peri				
1					oring Water	Co			0.000	379.111	0.00			0.000	0.000	379.1		5.905		
				lills, City of					1.422	2,150.925	(286.22)			0.000	5,359.300	7,367.1		7.669		
			Chino, I	And A Company of Compa					3.857	6,725.430	(6.686.44)			0.000	65.288	3,277.5		6.764		
					Water Distr				9.454 1.736	16,121.550 0.000	0.00			0.000 0.000	0.000	16,121.5		8.227 8.163		
			1	a Water Co	iter Compar	iγ			1.000	15,377.579	0.00			0.000	0.000	15,377.5		5.203		
				a water co a, City of	in Pony				0.000	13,377.379	0.00			0.000	0.000	0.0		0.000		
					er Company				1.476	736.362	0.00			0.000	0.000	736.3		8.157		
					/ Services Di	strict			1.118	18,405.630	0.00			0.000	(E. 784)	18,018.3		2.427		
[Water Comp				5.317	1,314_734	0.000			0.000	0.000	1,314.7		2.653		
Į					tion Compar		1		6.759	0.000	0.00			0.000	0.000	0.0		8.393		
				Vista Wate					3.954	12,521.892	(151 48)			0.000	(5.571.667)	7,074.4		9.195		
				Bottling, L					0.000	1,342.588	0.000			0.000	0.000	1,342.5	14 F 14 F 17 F 17 F 17 F 17 F 17 F 17 F	6.328		
				on Trust			1		4.000	0.000	0.000			0.000	0.000	0.0	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	0.168		
			Norco,						1.545	0.000	0.000			0.000	0.000	0.0		8.456		
			Ontario				1	11,37		21,980.342	(4,428.10)			0.000	0.000	17,911.0	1			
				a, City of				11,21	•	12,909.293	0.000			0.000	0.000	12,909.2	1			
				onio Wate	Company				6.888	1,159.242	0.000			0.000	0.000	1,159.2		1.857		
						ooting Park)	1		0.000	16.390	0.000			0.000	0.000	16.3		0.588		
					ater Compa				1.374	0.000	0.000			0.000	48.515	48.5		6.634		
			Upland,			,			2.401	2.822.046	0.000			0.000	48.515	2,822.0		8.070		
					ated Water	Co			7.714	0.000	0.000			0.000	0.000	0.0	· · · · · · · · · · · · · · · · · · ·	9.761		
			10 11	alley Water			- 1		4.317							1		20 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -		
								64		0.000	0.000	0.00	n	0.000	0.000	0.0	רר וחח	7.032		