



AGENDA

REGULAR MEETINGS OF THE
SANTA FE SPRINGS
PUBLIC FINANCING AUTHORITY,
WATER UTILITY AUTHORITY
HOUSING SUCCESSOR,
SUCCESSOR AGENCY
AND CITY COUNCIL

SEPTEMBER 26, 2013
6:00 P.M.

Council Chambers
11710 Telegraph Road
Santa Fe Springs, CA 90670

Richard J. Moore, Mayor/Chair
Juanita A. Trujillo, Mayor Pro Tem/Vice Chair
Luis M. González, Councilmember/Director
Laurie M. Rios, Councilmember/Director
William K. Rounds, Councilmember/Director

Public Comment: *The public is encouraged to address City Council on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council, please complete the card that is provided at the rear entrance to the Council Chambers and hand the card to the City Clerk or a member of staff. City Council will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. City Council will hear public comment on matters not listed on the agenda during the Oral Communications period.*

Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

Americans with Disabilities Act: *In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.*

Please Note: *Staff reports, and supplemental attachments, are available for inspection at the office of the City Clerk, City Hall, 11710 E. Telegraph Road during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday and every other Friday. Telephone (562) 868-0511.*

1. CALL TO ORDER

2. ROLL CALL

Luis M. González, Councilmember/Director
Laurie M. Rios, Councilmember/Director
William K. Rounds, Councilmember/Director
Juanita A. Trujillo, Mayor Pro Tem/Vice Chair
Richard J. Moore, Mayor/Chair

PUBLIC FINANCING AUTHORITY

3. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Public Financing Authority.

Approval of Minutes

- A. Minutes of the August 22, 2013 Regular Public Financing Authority Meeting

Recommendation: That the Public Financing Authority approve the minutes as submitted.

Monthly Report

- B. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority

Recommendation: That the Public Financing Authority receive and file the report.

WATER UTILITY AUTHORITY

4. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Water Utility Authority.

Approval of Minutes

- A. Minutes of the August 22, 2013 Regular Water Utility Authority Meeting

Recommendation: That the Water Utility Authority approve the minutes as submitted.

Monthly Report

- B. Status Update of Water-Related Capital Improvement Projects

Recommendation: That the Water Utility Authority receive and file the report.

- C. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority

Recommendation: That the Water Utility Authority receive and file the report.

NEW BUSINESS

5. Water Rate Study – Authorization to Issue a Request for Proposals

Recommendation: That the Water Utility Authority authorize the Director of Public Works to issue a Request for Proposals to prepare a Water Rate Study.

6. Proposed Central Basin Ground Water Storage Plan Settlement

Recommendation: That the Water Utility Authority: 1). Direct staff to write a letter of support for the Proposed 2013 Third Amended Judgment for Groundwater Storage in the Central Basin; and 2). Authorize the Mayor to sign the Letter.

HOUSING SUCCESSOR

There are no items on the Housing Successor Agenda for this meeting.

SUCCESSOR AGENCY

NEW BUSINESS

7. Resolution SA-2013-011 – Approving the Successor Agency’s Recognized Obligation Payment Schedules (ROPS 13-14B) for January 1, 2014 – June 30, 2014

Recommendation: That the Successor Agency adopt Resolution No. SA-2013-011.

CITY COUNCIL

8. **CITY MANAGER REPORT**

9. **CONSENT AGENDA**

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the City Council.

Approval Minutes

- A. Minutes of the August 22, 2013 Adjourned City Council Meeting

Recommendation: That the City Council approve the minutes as submitted.

- B. Minutes of the August 22, 2013 Regular City Council Meeting

Recommendation: That the City Council approve the minutes as submitted.

PUBLIC HEARING – ORDINANCE FOR INTRODUCTION

10. Ordinance No. 1047 – Zone Change Case No. 134

A request for approval to change the zoning designation of a single parcel (APN: 8011-012-902) of 3.9± acres, with an address of 13231 Lakeland Road, and located at the northwest corner of Laurel Avenue and Lakeland Road from M-2-BP, Heavy Manufacturing-Buffer Parking to R-3-PD, Multiple-Family Residential-Planned Development, and also to change the zoning designation of three parcels (APN: 8011-011-906, APN: 8011-011-907 and APN: 8011-011-912) with a total combined area of 32,562 sq. ft. and located at the northeast corner of Laurel Avenue and Lakeland Road from A-1, Light Agricultural to R-3-PD, Multiple-Family Residential-Planned Development. (City of Santa Fe Springs)

Recommendation: That the City Council: 1). Open the Public Hearing and receive any comments from the public regarding Zone Change Case No. 134 and thereafter close the Public Hearing; 2). Find that Zone Change Case No. 134 satisfies the criteria and conditions set forth in Section 155.825 et seq of the City Code for the granting of a Change of Zone; 3). Find that Zone Change Case No. 134 involving the proposed Change of Zone from M-2-BP, Heavy Manufacturing-Buffer Parking to R-3-PD, Multiple-Family Residential-Planned Development, and from A-1, Light Agricultural to R-3-PD, Multiple-Family Residential-Planned Development, is consistent with the City's General Plan; and 4). Introduce Ordinance No. 1047 and pass its first reading on Zone Change Case No. 134.

PUBLIC HEARING

11. Resolution No. 9428 – General Plan Amendment No. 25

A request for approval to amend the Land Use Map of the City's General Plan on a single parcel (APN: 8011-012-902) of 3.9± acres, with an address of 13231 Lakeland Road, and located at the northwest corner of Laurel Avenue and Lakeland Road, from the existing land use designation of Industrial to Multiple-Family Residential and also to amend the Land Use Map of the City's General Plan for the 3 parcels, (APN: 8011-011-906, APN: 8011-011-907 and APN: 8011-011-912), with a total combined area of 32,562 sq. ft. and located at the northeast corner of Laurel Avenue and Lakeland Road, from Single-Family Residential to Multiple-Family Residential.(City of Santa Fe Springs)

Recommendation: That the City Council: 1). Open the Public Hearing and receive any comments from the public regarding General Plan Amendment Case No. 25 and, after receiving all public comments, close the Public Hearing; and 2). Adopt Resolution No. 9428, approving General Plan Amendment Case No. 25, a request to amend the Land Use Map on a single parcel (APN: 8011-012-902) of 3.9± acres, with an address of 13231 Lakeland Road, and located at the northwest corner of Laurel Avenue and Lakeland Road, from the existing land use designation of Industrial to Multiple-Family Residential and also to amend the Land Use Map of the City's General Plan for the 3 parcels, (APN: 8011-011-906, APN: 8011-011-907 and APN: 8011-011-912), with a total combined area of 32,562 sq. ft. and located at the northeast corner of Laurel Avenue and Lakeland Road, from Single-Family Residential to Multiple-Family Residential.

PUBLIC HEARING

12. Overview on the 2014-2021 Housing Element Update

Recommendation: That the City Council: 1). Hear an overview from Karen Warner, the consultant retained by the City to prepare the 2014-2021 Housing Element Update; and 2). Provide staff with feedback and policy direction on issues related to the 2014-2021 Housing Element Update.

NEW BUSINESS

13. Resolution No. 9427– Establishing the City’s Maximum Contribution to the Public Employees’ Retirement System for Tier 1 Safety and Miscellaneous Employees’ Medical Coverage

Recommendation: That the City Council adopt Resolution No. 9427, which establishes the City’s maximum share of contributions to the Public Employees’ Retirement System for safety and miscellaneous employees medical coverage.

14. Interstate 5 Freeway Water Main Relocation for the Alondra Boulevard Segment on Freeway Drive – Award of Contract

Recommendation: That the City Council: 1). Reject the bid submitted by J.A. Salazar Construction & Supply Corp. on the grounds that they are non-responsive to the Contract Specifications; 2). Accept the other three bids; and 3). Award a contract to the second low bidder, GRF Co., Inc., of Moreno Valley, California, in the amount of \$297,585.

15. Approval of Parcel Map No. 71454 - Northwest Corner of Greenleaf Avenue and Los Nietos Road

Recommendation: That the City Council: 1). Approve Parcel Map No. 71454; 2). Find that Parcel Map No. 71454 is consistent with the City’s General Plans; and 3). Authorize the City Engineer and City Clerk to sign Parcel Map No. 71454.

Please note: *Item Nos. 16 - 25 will commence in the 7:00 p.m. hour.*

16. **INVOCATION**

17. **PLEDGE OF ALLEGIANCE**

INTRODUCTIONS

18. Representatives from the Youth Leadership Committee

19. Representatives from the Chamber of Commerce

20. ANNOUNCEMENTS

PRESENTATIONS

- 21.** Introduction of the 2013 Ringside World Championship Boxers

APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

- 22.** Committee Appointments

23. ORAL COMMUNICATIONS

This is the time when comments may be made by interested persons on matters not on the agenda having to do with City business.

24. EXECUTIVE TEAM REPORTS

25. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 72 hours prior to the meeting.

Anita Jimenez, CMC

Deputy City Clerk

September 20, 2013

Date

**MINUTES OF THE REGULAR MEETINGS OF THE
SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY,
WATER UTILITY AUTHORITY, HOUSING SUCCESSOR,
SUCCESSOR AGENCY AND CITY COUNCIL**

August 22, 2013

1. CALL TO ORDER

Mayor Moore called the meetings to order at 6: 07 p.m.

2. ROLL CALL

Present: Councilmembers/Directors González, Rios, Rounds, Mayor Pro Tem/Vice Chair Trujillo, Mayor/Chair Moore

Also present: Thaddeus McCormack, City Manager; Steve Skolnik, City Attorney; Wayne Morrell, Director of Planning; Noe Negrete, Director of Public Works; Dino Torres, Director of Police Services; Maricela Balderas, Director of Community Services; Jose Gomez, Asst. City Manager/Director of Finance; Mike Crook, Fire Chief; Anita Jimenez, Deputy City Clerk

The Deputy City Clerk announced that members of the Public Financing Authority and Water Utility Authority receive \$150 for their attendance at meetings.

PUBLIC FINANCING AUTHORITY

3. CONSENT AGENDA

Approval of Minutes

- A. Minutes of the July 25, 2013 Regular Public Financing Authority Meeting

Recommendation: That the Public Financing Authority approve the minutes as submitted.

Monthly Report

- B. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

Recommendation: That the Public Financing Authority receive and file the report.

Vice Chair Trujillo moved the approval of Items 3A and B; Director Rios seconded the motion which passed unanimously.

WATER UTILITY AUTHORITY

4. CONSENT AGENDA

Approval of Minutes

- A. Minutes of the July 25, 2013 Regular Water Utility Authority Meeting

Recommendation: That the Water Utility Authority approve the minutes as submitted.

Monthly Report

- B. Status Update of Water-Related Capital Improvement Projects

Recommendation: That the Water Utility Authority receive and file the report.

- C. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority

Recommendation: That the Water Utility Authority receive and file the report.

Director Rounds moved the approval of Items 4A, B & C; Director González seconded the motion which passed unanimously.

NEW BUSINESS

5. Equipping Water Well No. 12 – Authorization to Advertise for Construction Bids

Recommendation: That the Water Utility Authority: 1). Approve the Plans and Specifications; 2). Authorize the City Engineer to advertise for construction bids; 3). Appropriate the following funding for the Equipping Water Well No. 12 Project: a) \$2,134,000 from the 2013 Water Bond Proceeds, b) \$1,200,000 from the FY 2012-13 Water Fund – CIP, c) \$ 461,000 from the FY 2013-14 Water Fund – CIP.

Director González moved the approval of Item 5; Director Rounds seconded the motion which passed unanimously.

HOUSING SUCCESSOR

There were no items on the Housing Successor agenda for this meeting.

SUCCESSOR AGENCY

There were no items on the Successor Agency agenda for this meeting.

CITY COUNCIL

6. **CITY MANAGER REPORT**

The County has assigned the letter "S" to the Oil Barrel Measure which will be on the November ballot. Pioneer High School Principal Monica Oviedo has requested the use of City soccer fields during the reconstruction of their football stadium. City staff is working with the school to arrange field usage. Councilmember Rounds asked how long the football field would be down. The City Manager responded that construction would last through the calendar year. SFHS home games will be played at El Rancho High School.

7. **CONSENT AGENDA**

Approval Minutes

A. Minutes of the July 25, 2013 Special City Council Meeting

Recommendation: That the City Council approve the minutes as submitted.

B. Minutes of the July 25, 2013 Regular City Council Meeting

Recommendation: That the City Council approve the minutes as submitted.

Conference and Meeting Reports

C. Mayor Moore's attendance at the Chamber of Commerce Annual Workshop

Recommendation: That the City Council receive and file the report.

D. Mayor Pro Tem Trujillo's attendance at the Chamber of Commerce Annual Workshop

Recommendation: That the City Council receive and file the report.

Mayor Pro Tem Trujillo moved the approval of Items 7A, B, C & D; Councilmember González seconded the motion which passed unanimously.

NEW BUSINESS

8. Alcohol Sales Conditional Use Permit Case No. 62

Request for Approval to Allow the Operation and Maintenance of an Alcoholic Beverage Use Involving the Storage and Wholesale Distribution of Alcoholic Beverages at 9244 Norwalk Boulevard, in the M-2, Heavy Manufacturing Zone (Misa Imports)

Recommendation: That the City Council That the City Council approve Alcohol Sales Conditional Use Permit Case No. 62 subject to the Conditions of Approval contained within this report.

Councilmember González moved the approval of Item 8; Mayor Pro Tem Trujillo seconded the motion which passed unanimously.

9. Installation of *The Journey* Sculpture at Lakeview Elementary School

Recommendation: The Heritage Arts Advisory Committee (HAAC) recommends: 1). That the City Council approve installing *The Journey* sculpture at Lakeview Elementary School; 2). That the City Council direct Staff to prepare a Request for Qualifications (RFQ) from licensed architects to prepare drawings and specifications to install *The Journey* Sculpture at Lakeview Elementary School; 3). That Staff will submit the RFQ to the City Council for review and authorization to advertise at a future City Council meeting.

The City Manager stated that Councilmember Rios would like to see how this item fits in with the other commitments of the HAAC. Her concerned is whether the committee can still follow through on their previously approved projects and fund this relocation project. Councilmember Rios moved to table Item 9 and requested that staff bring back an analysis of the art fund budget. Councilmember Rounds seconded the motion which passed unanimously.

10. Renew Professional Services Contract for Project Management and Contract Administration Services for Various Capital Improvement Projects

Recommendation: That the City Council renew the professional services contract with Onward Engineering for an additional 12 months, effective September 4, 2013, to provide project management and contract administration services for various capital improvement projects.

Councilmember González moved the approval of Items 10-11; Councilmember Rounds seconded the motion which passed unanimously.

11. City Hall South Section, Heating, Ventilation and Air Conditioning System Upgrade – Award of Contract

Recommendation: That the City Council: 1). Accept the bids; and 2). Award a contract to A and Y Construction, of Arcadia, California, in the amount of \$542,000.00.

See Item 10.

Mayor Moore recessed the meetings 6:12 p.m.

Mayor Moore reconvened the meetings at 7:01 p.m.

12. **INVOCATION**

Councilmember Rios gave the Invocation.

13. **PLEDGE OF ALLEGIANCE**

Boy Scout Troop 546 posted the colors and led the Pledge of Allegiance.

INTRODUCTIONS

14. Representatives from the Youth Leadership Committee

Members of the Youth Leadership Committee introduced themselves.

15. Representatives from the Chamber of Commerce

The Mayor introduced Chamber Representatives Daniel J. McMillan of Morgan Stanley Wealth Management and Jeff Winkler of BreitBurn Energy.

ANNOUNCEMENTS

16. The City Manager announced Mayor Moore's birthday.

Maricela Balderas gave the Community Announcements.

PRESENTATIONS

17. Presentation to Milestone Event Celebrants

Public Relations Specialist Julie Herrera introduced Milestone recipient Lawrence C. Welch who celebrated his 92nd birthday. The Mayor presented Mr. Welch with a certificate and a Community Portrait.

18. Introduction of the 2013 Ringside World Championship Boxers

Item 18 was pulled from the agenda.

19. Recognition of Eagle Scout Recipient Toby Shaver

Management Assistant Wayne Bergeron introduced Eagle Scout of the Year, Toby Shaver. Toby described his Memorial Garden project which is located adjacent to the City Hall. The Mayor presented Toby with a certificate recognizing his achievements.

20. Recognition of Eagle Scout Recipient Cesar Aragon Jr.

Management Assistant Wayne Bergeron introduced Eagle Scout recipient Cesar Aragon, Jr. Cesar described his project which included the replacement of woodchips to increase child safety in the playground area of Palm Park in the City of Whittier. The Mayor presented Cesar with a certificate recognizing his achievements.

APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

21. Committee Appointments

Councilmember Rios reappointed Jesse Serrano to the Senior Citizens Advisory Committee. Mayor Pro Tem Trujillo appointed A.J. Hayes to the Parks & Recreation Advisory Committee.

22. **ORAL COMMUNICATIONS**

Mayor Moore opened Oral Communications at 7:27 p.m. There being no one wishing to speak, Mayor Moore closed Oral Communications at 7:27 p.m.

29. **EXECUTIVE TEAM REPORTS**

- Wayne Morrell reported on: Local eateries and new businesses located in the City; Newly approved billboard locations; The Grand Opening of the Interfaith Food Center; and, Sales in the Villages housing development.
- Noe Negrete reported on: Paving on Florence Ave (Orr & Day to Norwalk) next week; The I-5 Freeway project and resulting road closures; Grinding and paving activity on Pioneer Blvd beginning this week.
- Dino Torres reported: The Police Services Block Party will be held at Town Center Plaza on Oct. 5 which is the same day as Fire Dept Open House.
- Mike Crook reported: One Firefighter/Paramedic was sent to assist in battling a brush fire near Reno; the annual Potato Bake fundraiser for Relay for Life which raised \$1,866.
- Jose Gomez reported: Auditors have finished the scheduled audit and the Council Subcommittee should meet soon to go over new requirements.
- Maricela Balderas reported: The Summer Concert at Los Nietos Park featuring Mariachi Bellas drew a crowd of approximately 450 guests and was a great success; The Library received a \$2,000 grant from Target for the teen reading program which is designed to improve skills of students in K - 6th grade; Community Services will soon be in charge of centralizing the City's volunteer process.
- Mayor Pro Tem Trujillo commended the Parks & Recreation staff on the Summer Concert and the Fire Department on the Potato Bake.

- Councilmember Rios agreed that the Mariachi Festival and the Potato Bake were excellent. She congratulated the Eagle Scouts for their remarkable achievements.
- Mayor Moore thanked Wayne Morrell and Thaddeus McCormack for their support to the Interfaith Food Center in coordinating their Grand Opening and added that staff at the Food Bank was very complimentary of City staff.

30. ADJOURNMENT

At 7:40 p.m., Mayor Moore adjourned the meetings in memory of Roxie Brascia, mother of City Employee Paul Brascia and long-time City resident Manuel Aranda.

Richard J. Moore, Mayor

ATTEST:

Anita Jimenez, CMC
Deputy City Clerk

Date



NEW BUSINESS

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

RECOMMENDATION

That the Public Financing Authority receive and file the report.

BACKGROUND

The Santa Fe Springs Public Financing Authority (PFA) is a City entity that has periodically issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the PFA.

Consolidated Redevelopment Project 2001 Tax Allocation Refunding Bonds

Financing proceeds available for appropriation at 8/31/13	None
Outstanding principal at 8/31/13	\$18,240,000

Consolidated Redevelopment Project 2002 Tax Allocation Refunding Bonds

Financing proceeds available for appropriation at 8/31/13	None
Outstanding principal at 8/31/13	\$10,785,000

Consolidated Redevelopment Project 2003 Taxable Tax Allocation Refunding Bonds

Financing proceeds available for appropriation at 8/31/13	None
Outstanding principal at 8/31/13	\$3,690,000

Water Revenue Bonds, 2005 Series A

Financing proceeds available for appropriation at 8/31/13	None
Outstanding principal at 8/31/13	\$2,630,000

Consolidated Redevelopment Project 2006-A Tax Allocation Bonds

Financing proceeds available for appropriation at 8/31/13	None
Outstanding principal at 8/31/13	\$32,512,769

Consolidated Redevelopment Project 2006-B Taxable Tax Allocation Bonds

Financing proceeds available for appropriation at 8/31/13	None
Outstanding principal at 8/31/13	\$12,045,000

Consolidated Redevelopment Project 2007-A Tax Allocation Refunding Bonds

Financing proceeds available for appropriation at 8/31/13	None
Outstanding principal at 8/31/13	\$40,700,000

Bond Repayment

The City budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the 2005 Water Revenue Bonds.

The former Community Development Commission issued a number of tax allocation bonds before it was dissolved by State law effective February 1, 2012, and is administered by the City acting as Successor Agency under the oversight of the appointed Oversight Board. The Successor Agency no longer receives tax increment. Instead, distributions from the Redevelopment Property Tax Trust Fund (RPTTF) are received based on approved obligations. It is anticipated that sufficient allocations from the RPTTF will continue to be made to the Successor Agency to meet ongoing debt service obligations.

Unspent Bond Proceeds

Unspent bond proceeds in the amount of \$18,197,265 are held by the Successor Agency to the former Community Development Commission. Under the redevelopment dissolution legislation, unspent bond proceeds cannot be spent until a "Finding of Completion" is issued by the California Department of Finance (DOF). The Finding of Completion is available to successor agencies upon completion of required reports and payment of required balances to the Los Angeles County Auditor-Controller.

Given the uncertainty surrounding the use of redevelopment bonds in the post-dissolution era, the various projects for which prior appropriations exist will be re-examined in the context of current legislation. In addition to Successor Agency approval, the Oversight Board and DOF will need to approve any future use of the former CDC bond proceeds.



Thaddeus McCormack
City Manager/Executive Director

SEE ITEM 3A



City of Santa Fe Springs

Water Utility Authority Meeting

September 26, 2013

CONSENT AGENDA

Status Update of Water-Related Capital Improvement Projects

RECOMMENDATION

That the Water Utility Authority receive and file the report.

BACKGROUND

This report is for informational purposes only. The following is a listing and current status of active water projects.

New Water Well Located Within Zone II (Well No. 12)

A pre-bid meeting was held on September 11, 2013 at the new Water Well No. 12 site with a total of 23 potential bidding contractors in attendance. A bid opening for Water Well No. 12 was held September 24 at 11:30 a.m. in the City Council Chambers. Staff is currently reviewing all bids to determine the lowest responsive and responsible bidder.

Abandonment of Water Well No. 4, and No. 309

Staff is currently developing specifications to abandon the two inactive water production wells. Water Well No. 4 has recently been video logged and sampled which will aide in destruction of the well.

Water Rate Study

There is an item on the Agenda where Council will be asked to authorize a Request for Proposals to conduct a comprehensive water rate study.

I-5 Water Main Relocation Project: Alondra and Florence Segments

Alondra: Bids were opened on September 10, 2013 and four (4) bids were received, Public Works recommends awarding the project to GRF Co., Inc., of Moreno Valley, in the amount of \$297,585.00. The bid submitted by GRF Co., Inc., is approximately 4.7% below the Engineer's construction cost estimate of \$312,175. This is on the Agenda for Council consideration.

Assuming the project is awarded, construction should begin by mid October, immediately following the completion of the relocation of parallel oil pipelines by Chevron. The City's water main relocation work should take approximately 30 calendar days.

Florence: Current design work includes taking geotechnical borings of the future jacking and receiving pit location, for the new water main crossing beneath the I-5 Freeway. Design of the overall project is approximately 75% complete. The City has met with Norwalk and the State for scheduling and project geometric issues.

Report Submitted By:

Noe Negrete, Director
Department of Public Works

Date of Report: September 17, 2013

4B

The State has requested that the water main relocation work be segmented into two construction contracts, to better support their larger I-5 widening project. The City's consultant, Tetra Tech, is evaluating the State's request; both City staff and Tetra Tech tentatively concur that the State's request has merit, and simply needs to be configured to meet the needs of all parties. Once the State reviews the scope and limits of the reconfiguring, design will re-commence. It is anticipated that the design of the first phase will be completed late this calendar year.

FISCAL IMPACT

All projects are fully funded through the Water Fund and State Transportation Agreements.

INFRASTRUCTURE IMPACT

A fully functioning water production well will provide a source of potable water within Zone II and enhance the reliability of the City's water system. The installation of new water mains due to the I-5 widening project will update and enhance the City's water system.



Thaddeus McCormack
Executive Director

Attachment:

None



NEW BUSINESS

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA)

RECOMMENDATION

That the Water Utility Authority receive and file the report.

BACKGROUND

The Santa Fe Springs Water Utility Authority (WUA) is a City entity that has issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the WUA.

Water Revenue Bonds, 2013

Financing proceeds available for appropriation at 8/31/13	None
Outstanding principal at 8/31/13	\$6,890,000

In May 2013, the Water Utility Authority issued the 2013 Water Revenue Bonds in the amount of \$6,890,000. The bonds refunded the existing 2003 Water Revenue Bonds (issued through the Public Financing Authority) and provided additional funds for water improvement projects in the amount of \$2,134,339. The funds are restricted for use on water system improvements. In August 2012, the Water Utility Authority appropriated the proceeds for the Equipping Water Well No. 12 Project.

The City budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the 2013 Water Revenue Bonds.

The WUA was formed in June of 2009. Water revenue bonds issued prior to this date were issued through the City of Santa Fe Springs Public Financing Authority.

A handwritten signature in cursive script that reads "Thaddeus McCormack for".

Thaddeus McCormack
City Manager/Executive Director



NEW BUSINESS

Water Rate Study – Authorization to Issue a Request for Proposals

RECOMMENDATION

That the Water Utility Authority (WUA) authorize the Director of Public Works to issue a Request for Proposals to prepare a Water Rate Study.

BACKGROUND

For a number of years, Staff has prepared the analysis and recommendations to the WUA regarding water rate adjustments. Although prior analyses have recognized the need to increase rates, over the last decade rates were largely adjusted to accommodate the cost of wholesale water purchased from the Metropolitan Water District (MWD) and the cost of the Replenishment Assessment (RA) enforced by the Water Replenishment District (WRD). The following table shows the percent increase in water rates.

<u>Fiscal Year</u>	<u>% Rate Increase</u>
2003-04	5.0%
2004-05	0.0%
2005-06	6.0%
2006-07	2.5%
2007-08	8.0%
2008-09	9.0%
2009-10	12.0%
2010-11	15.0%
2011-12	9.0%
2012-13	0.0%
2013-14	0.0%

As we prepare for future year rate decisions, Staff is recommending that an outside consultant be contracted to prepare a water rate study that addresses the challenges facing the WUA by employing industry-wide best management practices and principles in water rate design. These challenges include, but are not limited to:

- Insufficient funds to meet the rising costs for capital improvements to the water infrastructure
- On-going increased cost of water purchased from the MWD;
- On-going increased cost of the Groundwater Replenishment Assessment from the WRD;
- Compliance with Proposition 218 (Proposition 218 states that fees and charges shall not exceed the cost of providing the service for which the fee or charges are imposed)

A handwritten signature in black ink, appearing to be 'N' or 'Noe'.

Report Submitted By:

Noe Negrete, Director
Public Works

Date of Report: September 18, 2013

Staff is proposing the following goals for the water rate study:

- Provide revenue for capital improvements;
- Ensure that the revenues cover the cost of services;
- Meet the debt coverage requirements;
- Water rates comply with Proposition 218.

The following is the proposed Water Rate Study schedule:

<u>DESCRIPTION</u>	<u>DATE/TIME</u>
Request for Proposals Issued	September 30, 2013
Deadline to Receive Proposals	October 22, 2013 at 3:00 p.m.
Contract Award	November 26, 2013
Notice to Proceed	December 16, 2013
Preliminary Report	January 30, 2014
Final Report	February 21, 2014

The final report of the Water Rate Study will be presented to the WUA in a study session.

FISCAL IMPACT

The funding needed to cover the cost of the Water Rate Study is included in the approved Water Fund budget for FY 2013-2014.

INFRASTRUCTURE IMPACT

The Water Rate Study will identify the revenue needed to maintain the WUA's water infrastructure.



Thaddeus McCormack
Executive Director

Attachment:

1. Request for Proposals-Water Rate Study

CITY OF SANTA FE SPRINGS WATER UTILITY AUTHORITY

REQUEST FOR PROPOSALS WATER RATE STUDY



DEPARTMENT OF PUBLIC WORKS

**INQUIRIES REGARDING THIS PROJECT
MAY BE DIRECTED TO:**

**Frank Beach, Project Manager
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, CA 90670
Phone (562) 868-0511, Extension 7568**

REQUEST FOR PROPOSALS

WATER RATE STUDY

The City of Santa Fe Springs Water Utility Authority (“AGENCY”) is requesting proposals from qualified professional consultants specializing in fee studies to submit written proposals to conduct a water rate study for the AGENCY. In general, the consultant’s services will include assessing the AGENCY’s current water rate structure performance as a baseline for comparing recommended changes; and developing a water rate structure that will allow the AGENCY to meet its financial obligations and ensuring long term financial stability of the Water Fund.

The AGENCY invites proposals for the above-stated services and will receive such proposals in the Director of Public Works Office, City of Santa Fe Springs, 11710 Telegraph Road, Santa Fe Springs, California 90670, **until 3:00 p.m. on Tuesday, October 22, 2013.**

Interested proposers must submit six (6) copies of their proposal labeled “**Proposal for Water Rate Study**” to:

Noe Negrete
Director of Public Works
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, CA 90670

Proposals received after the time and date specified above will not be accepted and will be returned to the proposer unopened. No pre-submittal meeting has been scheduled for this project.

The AGENCY reserves the right to reject any or all proposals, to waive any irregularity in any proposal received, and to be the sole judge of the merits of the respective proposals received and to take all proposals under advisement for a period of 45 days. The award, if made, will be made to the Consultant whose proposal best meets the technical requirements of the RFP as determined by the AGENCY. The proposal submitted by the selected Consultant shall be incorporated as part of the final contract accordingly.

All questions regarding this project must be directed to Frank Beach, Project Manager at (562) 868-0511, ext. 7568.

INSTRUCTIONS TO PROPOSERS

1. PROPOSED WATER RATE STUDY SCHEDULE

DESCRIPTION	DATE/TIME
Request for Proposals Released	September 30, 2013
Deadline to Submit Questions	October 9, 2013 at 4:00 p.m.
Deadline to Receive Proposals	October 22, 2013 at 3:00 p.m.
Contract Award	November 26, 2013
Notice to Proceed	December 6, 2013
Preliminary Report	January 30, 2014
Final Report	February 21, 2014

The AGENCY reserves the right to modify any element of the timeline should that become necessary.

2. PRE-SUBMITTAL MEETING

No Pre-Submittal Meeting has been scheduled for this project.

3. SUBMISSION OF PROPOSALS

To be considered, the Proposals must be received by the Department of Public Works, City of Santa Fe Springs, by 3:00 p.m. on Tuesday, October 22, 2013. Consultants must submit six (6) copies of their Proposal labeled "Proposal for Water Rate Study" to:

Noe Negrete, Director of Public Works
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, CA 90670-3658

Proposals, and amendments to proposals, received after the date and time specified above will not be accepted and will be returned to the Consultant unopened.

4. DISSEMINATION OF RFP INFORMATION

From time to time, the AGENCY may issue responses to requests for clarifications, questions, comments, and addenda to this Request for Proposals ("RFP"), or other material related to this solicitation. **By submitting a proposal, Consultants are deemed to have constructive knowledge and notice of all information pertaining to this RFP.**

5. **ADDENDA TO THE RFP**

Any change(s) to the requirements of this RFP initiated by the AGENCY will be made by written addenda to this RFP. Any written addenda issued pertaining to this RFP shall be incorporated into and made a part of the terms and conditions of any resulting agreement. The AGENCY will not be bound to any modifications to or deviations from the requirements set forth in this RFP unless they have been documented by addenda to this RFP. Consultants will be required to document that they are aware of all addenda issued by the AGENCY in their proposal.

6. **QUESTIONS AND REQUESTS FOR CLARIFICATIONS**

A. **Contact Person for the Project**

All questions or contacts regarding this RFP must be directed to Mr. Frank Beach who can be reached at (562) 868-0511, ext. 7568 or by email at frankbeach@santafesprings.org

B. **Clarifications of the RFP**

Consultants are encouraged to promptly notify Mr. Beach of any apparent errors or inconsistencies in the RFP, inclusive of all attachments, exhibits and appendices. Should a Consultant require clarifications to this RFP, the Consultant shall notify the AGENCY in writing in accordance with Subsection "a" above. Should it be found that the point in question is not clearly and fully set forth in the RFP, a written addendum clarifying the matter will be issued.

C. **Submitting Requests**

All questions must be submitted to the AGENCY by 4:00 p.m. on Wednesday, October 9, 2013. The AGENCY is not responsible for failure to respond to a request or question that has not been labeled correctly. Questions can be submitted via U.S. Mail, Personal Courier, Fax or Email as long as they are received no later than the date and time specified above. The AGENCY is not liable for any late arrivals due to courier method or electronic delivery.

Requests for clarifications, questions and comments received after 4:00 p.m. on Wednesday, October 9, 2013 will not be responded to.

D. **AGENCY Responses**

The AGENCY, in its sole discretion, will respond to requests for clarifications, questions and comments. Responses will be emailed to proposers on or before 5:00 p.m. on Monday, October 14, 2013.

7. COST OF PROPOSAL PREPARATION

Any party responding to this RFP shall do so at their own risk and cost. The AGENCY shall not, under any circumstances, be liable for any pre-contractual expenses incurred by any Consultant who elects to submit a proposal in response to this RFP or by any Consultant that is selected. Pre-contractual expenses are defined as expenses incurred by Consultants and the selected Consultant, if any, in:

- Preparing a Proposal and related information in response to this RFP;
- Submitting a Proposal to the AGENCY;
- Negotiations with the AGENCY on any matter related to this RFP;
- Costs associated with interviews, meetings, travel or presentations; or
- Any and all other expenses incurred by a Consultant prior to the date of award, if any, of an agreement, and formal notice to proceed.

The AGENCY will provide only the staff assistance and documentation specifically referred to herein and will not be responsible for any other cost or obligation of any kind, which may be incurred by the Consultant.

8. CONFLICT OF INTEREST

By responding to this RFP, each Consultant represents to the best of its knowledge that:

- Neither Consultant, nor any of its affiliates, proposed subconsultants, and associated staff, have communicated with any member of the AGENCY since the release of this RFP on any matter related to this RFP except to the extent specified in this RFP;
- Neither Consultant, nor any of its affiliates, proposed subconsultants and associated staff, has obtained or used any information regarding this RFP and the proposed services that has not been generally available to all Consultants, and
- No conflict of interest exists under any applicable statute or regulation or as a result of any past or current contractual relationship with the AGENCY;
- Neither Consultant, nor any of its affiliates, proposed subconsultants, or associated staff, have any financial interest in any property that will be affected by any of the referenced projects.
- Neither Consultant, nor any of its affiliates, proposed subconsultants, or associated staff, have a personal relationship with any member of the governing body, officer or employee of the AGENCY who exercises any functions or responsibilities in connection with the referenced projects.

9. **KEY PERSONNEL**

It is imperative that key personnel proposed to provide services have the background, experience and qualifications to properly undertake all necessary services for the successful completion of the referenced projects. The Consultant must identify all proposed key personnel in its Proposal. The Team must be well qualified and have sufficient experience in the areas described in the Scope of Services.

The AGENCY reserves the right to approve all key personnel individually for any and all projects authorized by the AGENCY as a result of this solicitation. After an agreement has been executed, the selected consultant may not replace any key staff without written approval from the AGENCY. The AGENCY must approve replacement staff before a substitute person is assigned to a project. The AGENCY reserves the right to require the Consultant to replace a staff person assigned to the contract should the AGENCY consider replacement to be for the good of the project. Replacement staff will be subject to the AGENCY's approval prior to assignment by Consultant.

10. **BASIS FOR AWARD OF CONTRACT**

The AGENCY intends to select the Consultant on the basis of demonstrated competence and professional qualifications in accordance with applicable State and Federal regulations. To that end, the contract is to be awarded to the Consultant whose proposal best meets the technical requirements of the RFP as determined by the AGENCY. Should an award be made, the proposal submitted by Consultant shall be incorporated as part of the final contract accordingly.

11. **TERM OF AGREEMENT**

It is the AGENCY's intent to enter into a "not to exceed" Professional Services Agreement with the selected Consultant.

The AGENCY will compensate the Consultant for actual hours worked by assigned personnel on a monthly basis. Compensation will be based on the fee schedule in the proposal. The consultant will provide an invoice clearly documenting the services performed each day and the number of hours worked.

12. **REQUIRED FORMAT FOR PROPOSALS**

The AGENCY is requiring all proposals submitted in response to this RFP to follow a specific format. The Proposal, including the Appendices, shall not exceed thirty (30) pages in length, utilizing 8.5" x 11" pages with one-inch margins. As an exception, 11" x 17" pages may be used to display organizational charts. Font size shall not be smaller than 12 point for text or eight (8) point for graphics. Dividers used to separate sections will not be counted. Creative use of dividers to portray team qualifications, etc. is discouraged.

Consultants are required to prepare their written proposals in accordance with the instructions outlined below. Deviations from these instructions may be construed as non-responsive and may be cause for disqualification. Emphasis should be placed on accuracy, completeness, and clarity of content.

The written proposal should be organized as described below. Each section of the written proposal should contain the title of that section, with the response following the title. The following are the required titles with a brief statement as to that section's desired content:

A. Letter of Offer

The Letter of Offer shall be addressed to Noe Negrete, Director of Public Works, City of Santa Fe Springs, and at a minimum, must contain the following:

- Identification of Consultant, including name, address and telephone number.
- Name, title, address, and telephone number of contact person.
- A statement to the effect that the Proposal shall remain valid for a period of not less than 90 calendar days from the date of submittal.
- Identification of all proposed sub-consultants or subcontractors, including legal name of the company, address and contact person.
- Acknowledgement that Consultant is obligated by all addenda to this RFP.
- Signature of a person authorized to bind Consultant to the terms of the Proposal.
- Signed statement attesting that all information submitted with the Proposal is true and correct.

B. Qualifications of the Firm

This section of the Proposal shall explain the ability of the Consultant to satisfactorily perform the required work. More specifically, in this section, the Consultant shall:

- Provide a profile of the Consultant including the types of services offered; the year founded; form of organization (corporate, partnership, sole proprietorship); number, size and location of offices; number of employees.
- Provide a detailed description of Consultant's financial condition, including any conditions (e.g., bankruptcy, pending litigation, outstanding claims in excess of twenty-five thousand dollars (\$25,000) for or against the firm;

planned office closures or mergers that may impede Consultant's ability to complete the Water Rate Study.)

- Provide a list of previous projects in which the Consultant and subconsultants have worked together. The list should clearly identify the previous projects and include a summary of the roles and responsibilities of each party.
- Provide information on the strength and stability of the Consultant; current staffing capability and availability; current work load; and proven record of meeting schedules on similar types of projects.

C. Proposed Staffing and Project Organization

This section of the Proposal should establish the method that will be used by the Consultant to organize and conduct the Water Rate Study. In addition, this section should also identify key personnel to be assigned and their qualifications and experience.

The Proposal should include the following information:

- The education, experience and applicable professional credentials of project staff. Include applicable professional credentials of "key" staff.
- Brief resumes, not more than two (2) pages each, for the individuals proposed as key personnel. Key personnel must have extensive knowledge and experience with water rate studies.
- A statement that key personnel will be available to the extent proposed for the duration of the Water Rate Study and an acknowledgement that no person designated as key personnel shall be removed or replaced without the prior written concurrence of the AGENCY. Identify any constraints, conflicts or situations that would prevent the Consultant from being able to begin work on this assignment.

D. Consultants and/or Sub-consultants

The AGENCY desires to enter into a contract with one Consultant that will be responsible for all work, products, and services. There is to be no assignment of any aspect of this project without the prior written authorization of the AGENCY. If the Consultant plans on using consultants and/or subcontractors as part of its implementation plan, then company profile, name, address, and telephone for all consultants and/or subcontractors providing support during the term of this project is required. Define the responsibilities and give a description of services to be provided by consultants and/or subcontractors. Describe the Firm's business and reporting relationship with any consultants and/or subcontractors. Include references and resumes for all third party Firms in your proposal. The AGENCY has the right to accept or reject any changes made to the proposed project team members, including the use of consultants and/or subcontractors.

E. Work Approach

This section of the Proposal shall include a narrative that addresses the Scope of Services and demonstrates that Consultant understands the scope of this project. More specifically, the Proposal should include the Consultant's general approach for completing the activities specified in the Scope of Services. The work approach shall be of sufficient detail to demonstrate Consultant's ability to accomplish the project tasks.

F. Client References

List your five (5) most recent similar clients (including name, address, contact person, and phone number). The AGENCY is most interested in government and California clients and may randomly select agencies to contact from your list as part of the evaluation process.

G. Appendices

This part shall include brief resumes of proposed staff. Consultant information and general marketing materials will not be considered in the ranking of the Proposals.

H. Rights to Materials

All responses, inquiries, and correspondence relating to this RFP and all reports, charts, displays, schedules, exhibits, and other documentation produced by the Consultant that are submitted as part of the proposal and not withdrawn shall, upon receipt by AGENCY, become property of AGENCY.

I. Fee Proposal.

A Fee Proposal and Schedule of Performance shall be provided in a separately sealed envelope and shall comply with the following guidelines:

- Two copies of a Fee Proposal and Schedule of Performance shall be submitted in a separately sealed envelope plainly labeled "Fee Proposal" with the name of the Consultant and project title "Water Rate Study". This information shall be presented in a manner that allows the AGENCY to understand the Fee and Schedule for each segment.
- The Schedule of Performance shall depict individual project tasks, and basic hourly rates for specific personnel to be used on the project. Personnel hourly rates will reflect all costs for office overhead, including direct and indirect costs. The Proposal shall include a breakdown of the estimated number of hours, by personnel category, needed to complete each task. In addition, the

fee shall reflect all anticipated fee increases during the Contract duration. A pre-award audit may be required to confirm and establish a final not-to-exceed fee.

- The terms and conditions for obtaining 'reimbursable costs' shall be identified in the Proposal.

13. **PROPOSAL EVALUATION PROCESS AND CRITERIA**

A. **GENERAL**

All proposals will be evaluated based on the technical information and qualifications presented in the proposal, reference checks, and other information, which may be gathered independently. Requests for clarification and/or additional information from any proposer may be requested at any point in the evaluation process. Pricing (Consultant fees) will be an important criterion; however, the AGENCY reserves the right to select a firm that presents the best qualifications, but not necessarily the lowest price.

B. **EVALUATION CRITERIA**

- Completeness of proposal.
- Consultant and key project team member's experience in performing similar work.
- Consultant and key project team member's record in accomplishing work assignments for projects.
- Consultant's demonstrated understanding of the scope of work.
- Quality of work previously performed by the firm as verified by reference checks.
- Relevant project experience.
- Fee proposal.

C. **EVALUATION PROCESS**

After evaluating all proposals received, the AGENCY will rank the firms and the three (3) most qualified firms will be invited to an interview with the AGENCY evaluation committee.

D. **INTERVIEW**

For the interview, the Consultant should have available the project manager and key project personnel to discuss the following:

- Major elements of the proposal
- Proposed project team
- Description of related experience for key project personnel
- Proposed project schedule

E. FINAL SELECTION

The final selection will be the consultant which, as determined by the AGENCY, is the most responsive and responsible, meets the AGENCY's requirements in providing this service, and is in the AGENCY's best interest. The AGENCY maintains the sole and exclusive right to evaluate the merits of the proposals received.

14. EXCEPTIONS OR ADDITIONS

The Proposal shall include a detailed description of all of the exceptions to the provisions and conditions of this RFP upon which the Consultant's submittal is contingent and which shall take precedence over this RFP.

15. INSURANCE REQUIREMENTS

Prior to the start of contract negotiations, the highest qualified Consultant will be required to submit to the AGENCY the required insurance certificates for the Consultant and its team. Insurance certificates will also be required, in advance, for any Consultant subsequently identified for negotiations with the AGENCY.

The successful Consultant shall indemnify and hold AGENCY and its officers, agents, employees, and assigns harmless from any liability imposed for injury whether arising before or after completion of work hereunder or in any manner directly or indirectly caused, occasioned, or contributed to, or claims to be caused, occasioned, or contributed to, in whole or in part, by reason of any act or omission, including strict liability or negligence of Consultant, or of anyone acting under Consultant's direction or control or on its behalf, in connection with, or incident to, or arising out of the performance of this contract.

The Consultant selected will be required to maintain the following levels of insurance coverage for the duration of the services provided, as well as any sub-consultants hired by the Consultant:

- Worker's Compensation insurance with statutory limits, and employer's liability insurance with limits not less than \$1,000,000 per accident
- Commercial general liability insurance or equivalent form, with a combined single limit of not less than \$2,000,000 per occurrence

- Business automobile liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.
- Professional liability (errors and omissions) insurance, with a combined single limit of not less than \$1,000,000 per occurrence.

16. **RIGHTS OF THE AGENCY**

The AGENCY reserves the right, in its sole discretion and without prior notice, to terminate this RFP; to issue subsequent RFPs; to procure any project-related service by other means; to modify the scope of the Project; to modify the AGENCY's obligations or selection criteria; or take other actions needed to meet the AGENCY's goals. In addition, the AGENCY reserves the following rights:

- The right to accept or reject any and all proposals, or any item or part thereof, or to waive any informalities or irregularities in any proposal.
- The right to amend, withdraw or cancel this RFP at any time without prior notice.
- The right to postpone proposal openings for its own convenience.
- The right to request or obtain additional information about any and all proposals.
- The right to conduct a back ground check of any Consultant. This may include, but is not limited to, contacting individuals and organizations regarding capabilities and experience of the potential candidate.
- The right to waive minor discrepancies, informalities and/or irregularities in the RFP or in the requirements for submission of a Proposal.
- The right to modify the response requirements for this RFP. This may include a requirement to submit additional information; an extension of the due date for submittals; and modification of any part of this RFP, including timing of RFP decisions and the schedule for presentations.
- The right to disqualify any potential candidate on the basis of real or perceived conflict of interest that is disclosed or revealed by information available to the AGENCY.
- The right at any time, subject only to restrictions imposed by a written contractual agreement, to terminate negotiations with any potential candidate and to negotiate with other potential candidates who are deemed qualified.
- Although cost is an important factor in deciding which proposal will be selected, it is only one of the criteria used to evaluate consultants. The AGENCY reserves the

absolute right, in its sole discretion, to award a contract, if any, which under all the circumstances will best serve the public interest.

- The AGENCY reserves the right to reject any or all proposals or to make no award at all, to determine whether any alternate proposals are equal to the specifications and general requirements, and to accept proposals with minor variations from the Request for Proposals and/or conditions. The AGENCY reserves the right to negotiate for a higher level, lower level or additional services.

This RFP is not a contract or commitment of any kind by the AGENCY. This RFP does not commit the AGENCY to enter into negotiations with any consultant and the AGENCY makes no representations that any contract will be awarded to any consultant that responds to this RFP. Proposals received by the AGENCY are public information and will be made available to any person upon request after the AGENCY has completed the proposal evaluation. Submitted proposals are not to be copyrighted.

Should a contract be subsequently entered into between the AGENCY and Consultant, it shall be duly noted that entering into such an agreement shall be interpreted, construed, and given effect in all respects according to the laws of the State of California. The successful Consultant shall secure a City of Santa Fe Springs business license through the City's Finance and Administrative Services Department at the time the contract is awarded.

Waiver of Proposals

Proposals may be withdrawn by submitting written notice to the AGENCY's Contact Person at any time prior to the submittal deadline. Upon submission, the Proposal and all collateral material shall become the property of the AGENCY.

17. CALIFORNIA PUBLIC RECORDS ACT DISCLOSURES

The Consultant acknowledges that all information submitted in response to this RFP is subject to public inspection under the California Public Records Act unless exempted by law. If the Consultant believes any information submitted should be protected from such disclosure due to its confidential, proprietary nature or other reasons, it must identify such information and the basis for the belief in its disclosure. **Any proposal submitted with a blanket statement or limitation that would prohibit or limit such public inspection shall be considered non-responsive and shall be rejected.** Notwithstanding that disclaimer, it is the intention of the AGENCY to keep all submittals confidential until such time as negotiations are successfully concluded.

WATER RATE STUDY

SCOPE OF SERVICES

It is anticipated the Scope of Services will include, but not limited to the following:

1. STUDY OBJECTIVES

- A. Develop a water rate structure that will allow the AGENCY to meet its financial obligations, specifically ensuring long-term (5 years) financial stability for the Water Fund.
- B. Assess the current rate structure's performance as a baseline for comparing recommended changes.
- C. Assess the equity of recommended water rates for residential and commercial customers.

2. STUDY REQUIREMENTS

- A. The rate structures shall be based primarily on water consumption.
- B. The recommended rate structure shall be based on cost of service and shall be sufficient to meet the short and long-term revenue requirements of the AGENCY.
- C. The study shall recommend rates that consider and make provision for the following factors:
 - 1. Current and future cost of providing water in accordance with established and anticipated standards and regulations.
 - 2. Current and future costs of water purchased from outside agencies.
 - 3. Projected demands, while considering goal of water conservation.
 - 4. Age and condition of water system and the need to fund long-term capital improvement/replacements for supply, treatment and distribution infrastructure.
 - 5. Funding requirements for all current long-term liabilities and debt obligations.
 - 6. Impact of current and future environmental regulations.

7. Other impacts as identified.
-
- D. The recommended rate structures shall provide direct identification of revenues appropriated to major funded activities and infrastructure:
 1. Operation and Maintenance (O&M) expenses.
 2. Capital expenses and capital financing.
 3. Bond coverage requirement.
 4. Water purchases from outside sources.
 - E. The benefits of any proposed modifications to the water rates shall be weighed against the financial impacts on ratepayers.
 - F. The recommended rates shall result in no decrease in stability of the revenue stream to the Water Fund, as compared to the current rate structure.
 - G. Consideration should be given to funding past and future depreciation.
 - H. The recommended rate structure and report shall be easy for staff to administer and the customer to understand.
 - I. The AGENCY's utility billing systems must be able to implement the proposed rate structure.
 - J. Analyze the current and historical revenue and billing data to estimate relative liability of rate forecasts for the base fiscal year through five subsequent fiscal years.
 - K. The recommended rate structure shall comply with the provisions of Prop. 218. The study shall demonstrate that the rates do not exceed the proportionate cost of serving each class of customers. A sound rationale related to the cost of service is required.

3. STUDY ELEMENTS

- A. In making the rate structure recommendations, the Final Report shall include the following elements:
 1. Current Rate Structure: Assess the current rate structure's performance as a baseline for comparing recommended changes.

2. Equity: Assess the equity of recommended water rates for residential and commercial customers.
3. Conservation Impacts: Assess the interaction between water conservation elements of the recommended rate structure and their impacts on the ability to fund water operations.
4. Sensitivity Analysis: Assess the ability of the revenue stream generated by the recommended rate structure to continue to fully fund water system costs and other costs under the impacts of future water quality regulations and standards.
5. Comprehensive Summary of Recommended Rate Structure: Assess performance of each studied rate structure against current rate structure performance as baseline and provide recommendation on preferred rate structure.
6. Supporting Data: Provide data supporting conclusions and observations made for each of the areas above and site within the study.
7. Provide a comparison of current water system costs (operations, capital improvements, bonded debt) against appropriate industry benchmarks.
8. Provide a calculation of the bi-monthly water bill for the average residential customer and commercial customer (as determined by water consumption) for each rate structure included in the analysis.
9. Provide a comparison of water rates for similar size southern California water agencies (public and private).
10. It is imperative that the study methodology be fully transparent and understandable by the general public.

4. CONSULTANT SERVICES

- A. Conduct a detailed review of the existing water rates and status of the Water Fund and develop a general familiarity with the AGENCY's billing system as it relates to the Water Fund.
- B. Meet or confer with staff as needed; attend four to six meetings, including regular AGENCY meetings, staff meetings, study sessions, subcommittee meetings, and at least one (1) public hearing.
- C. Conduct analyses as required to address the scope of work.

- D. Preliminary Report.
 - 1. Provide a preliminary report for AGENCY review and comment, which summarizes the findings and recommendations of the study.
 - 2. Prepare and make presentations of the preliminary report to the AGENCY.
- E. Final Draft Report.
 - 1. Provide a final draft report that contains AGENCY comments and input to preliminary report.
 - 2. Prepare and make presentations of the final draft report to the AGENCY.
- F. Provide Assistance to the AGENCY during the Proposition 218 process.
- G. Provide a Final Report that summarizes the completed action of the AGENCY, providing final rates as adopted, the final rate structure, an explanation of how those rates were calculated, summary of the Proposition 218 process, and project revenue under the adopted rates and rate structure.

5. SERVICES PROVIDED BY THE AGENCY

- A. Furnish all reasonably available records and information, including financial reports, budgets, and water production and consumption data.
- B. Provide staff support and assistance as required and agreed to in advance of performing the study.



City of Santa Fe Springs

Water Utility Authority

September 26, 2013

NEW BUSINESS

Proposed Central Basin Ground Water Storage Plan Settlement

RECOMMENDATION:

That the Water Utility Authority take the following actions:

1. Direct staff to write a letter of support for the Proposed 2013 Third Amended Judgment for Groundwater Storage in the Central Basin; and
2. Authorize the Mayor to sign the Letter.

BACKGROUND

The original Central Basin Plan Judgment dates from the 1950's, when the significant regional growth in South East Los Angeles County caused water extraction to outpace the water supply. The over-extraction of groundwater by developing communities with all their new wells lowered the water table and wells began to dry-up. This original judgment finalized in 1965 set in place water rights, which limited the pumping of water to those entities owning water rights. This saved the basin, however the judgment did not authorize water storage to fill the unused space.

Today, the Central Basin is unique since it is one of the few groundwater basins in the State that does not allow groundwater storage in some fashion. The lack of a storage plan has hampered the ability of our region to plan for additional growth and periods of drought and water surpluses. The diminishing reliability and competition for imported water supply is another major reason to better develop local water resources. There is a general agreement that a storage plan, if designed and operated appropriately, would be a major benefit to the region's residents, businesses, and institutions that depend on reliable water delivered at cost-effective rate. In order to establish a storage plan where stored water could be recovered with legal certainty, it was determined that the 1965 Judgment had to be amended.

In May 9, 1991, the court approved the Second Amended Judgment, increasing the ability to carry over up to 20 percent of the water rights, thus allowing water that was not produced in one year to be produced in the following year. Since this time, water rights holders have tried to negotiate provisions to allow for additional water storage in the basin, yet all attempts have been unsuccessful. Following over a decade of negotiations and litigation between Central Basin parties over the implementation of groundwater storage, a majority consensus has been reached regarding the terms of a groundwater storage framework proposed to be implemented through the Third Amended Judgment.

Report Submitted By:

Noe Negrete, Director
Public Works

Date of Report: September 20, 2013

6

In 2012 a group of five cities (Cerritos, Downey, Lakewood, Long Beach, and Signal Hill) began the process of revising the plan for groundwater storage which resulted in a draft Judgment Amendment to the Central Basin Judgment. The group distributed the draft framework for comment in February 2013. This draft has been reviewed extensively by affected parties, and has been refined based on the comments received. The proposal was presented to the Gateway Cities on June 11, 2013.

Benefits of Ground Water Storage Plan

The following are key points that would benefit all groundwater pumpers in the Central Basin if the proposed 2013 Third Amended Judgment for Groundwater Storage in the Central Basin is approved.

1. Establishes available storage in the Central Basin at 330,000 acre feet.
2. Increases the allowable carryover of unused water rights in a fiscal year from 20 percent to 60 percent. This increase will be ramped up 10% per year over four years.
3. Allows the storage of water without extra fees or approvals.
4. Provides for the extraction of stored water without additional fees or taxes.
5. Allows for conversion of carryover to stored water by payment of replenishment assessment.
6. Allows parties the ability to cumulatively store up to 200 percent of the party's annual extraction rights in Individual and Community Storage Pool Accounts.
7. Creates a seven member Water Rights Panel elected by water rights holders.
8. Selects the Water Replenishment District to function as record-keeper, and provides it with space to capture water for replenishment purposes (but does not grant WRD any rights to store water for its own account). The cost for the record-keeping function is capped at an amount significantly less than the expense now incurred for Watermaster services, resulting in a significant savings to all water producers.
9. Removes the California Department of Water Resources as Watermaster. Grants the pumpers' Water Rights Panel responsibility over water rights and reporting compliance to the Court.

Conclusion

The ability to store water in the Central Basin with legal certainty has been an unmet goal for many years. The renewed effort with collaboration of the previous objectors is a major breakthrough and offers the best chance for enhanced reliability of local water resources. The 2013 Third Amended Judgment will allow maximum flexibility for water operations and at the same time provide safety for the underlying water rights we have come to rely on for the past 48 years.

FISCAL IMPACT

No financial impact on the Water Utility Authority. Stored water will benefit the City by creating a vehicle to store water now and pump at a later date.



Thaddeus McCormack
Executive Director

Attachment(s)

1. List of Agencies in Support of the Ground Water Storage Plan
2. Third Amendment Judgment – Case NO. 786, 656
3. Proposed Storage Amendments

Agencies that are in support of the Central Basin Groundwater Storage Plan

The following cities and water agencies have committed formal support for the proposed 2013 Third Amended Judgment for Groundwater Storage in the Central Basin:

Bellflower
Cerritos
Commerce
Downey
Lakewood
Long Beach
Norwalk
Paramount
Pico Rivera
Signal Hill
South Gate
Bellflower-Somerset Mutual Water Co.
La Habra Heights water District
Montebello Land & Water Co.
Orchard Dale Water District
Pico Water District
Sativa Los Angeles County Water District
South Montebello Irrigation District

PROPOSED STORAGE AMENDMENTS
Central and West Basin Water Replenishment Dist. v. Adams, et al.
 Los Angeles Superior Court, Case No. C786656

COMPARISON: 2009 MOVING PARTIES' PROPOSAL AND 2013 COMPROMISE

CATEGORY	2009 MOVING PARTIES' PROPOSAL	2013 COMPROMISE
FRAMEWORK		
Storage only Under Judgment	<p>“No storage of water shall occur in the Basin except in conformity with this Judgment.”</p> <p>(See Redlined Third Amended Judgment (“2009 TAJ”) filed with 2009 Motion to Amend [“TAJ”], p. 116, Section III.A.</p>	<p style="text-align: center;">SAME</p> <p>ANY STORAGE (OF ANY NON-NATIVE WATER) IN CENTRAL BASIN IS GOVERNED BY CENTRAL BASIN JUDGMENT</p> <p>ADDED REQUIREMENT THAT NO STORAGE ALLOWED TO INTERFERE WITH POSSIBILITY OF INCREASING APA TO 100% OF TOTAL WATER RIGHT</p>
ALLOCATIONS		
Total Available Storage Space	330,000 AF	SAME (110,000 AF TO WRD OPERATING RESERVE IS ONLY FOR REPLENISHMENT USE, <i>NOT</i> STORAGE OF IMPORTED WATER FOR LATER EXTRACTION)
“Storage”		<p>CLARIFIED LANGUAGE TO INCLUDE RECYCLED WATER, WHICH INCLUDES ANY RECLAIMED WATER A PARTY SPREADS, INJECTS, OR OTHERWISE INTRODUCES INTO THE CENTRAL BASIN</p> <p>REGARDLESS OF THE SOURCE (e.g. STORM WATER), WATER PUT INTO THE BASIN WILL BE CREDITED TO A PARTY, EITHER IN THEIR STORAGE ACCOUNTS, OR AS WATER AUGMENTATION PROJECTS, DEPENDING ON THE PARTY'S CHOICE</p>
Individual Storage Account	87,000 AF (40% of APA to each party)	108,750 AF 50% OF APA TO EACH PARTY BY TAKING FROM COMMUNITY STORAGE

PROPOSED STORAGE AMENDMENTS
Central and West Basin Water Replenishment Dist. v. Adams, et al.
 Los Angeles Superior Court, Case No. C786656

CATEGORY	2009 MOVING PARTIES' PROPOSAL	2013 COMPROMISE
Community Storage Account	<p>95,000 AF (first come, first serve)</p> <p>PRIORITY ACCESS FOR UP TO 10,000 AF FOR SMALLER PRODUCERS WITH APA <3,000 AF</p>	<p>WATER PREVIOUSLY STORED BY CERRITOS, DOWNEY LAKEWOOD, AND LONG BEACH WILL BE RECOGNIZED IN EACH OF THEIR ACCOUNTS</p> <p>111,250AF</p> <p>INCREASED BY TAKING FROM WRD'S BASIN OPERATING RESERVE</p> <p>PRIORITY ACCESS FOR:</p> <p>1) SMALLER PRODUCERS WITH APA < 5,000 AF - PRIORITY ACCESS TO UP TO 10,000 AF FOR</p> <p>2) DISADVANTAGED COMMUNITIES INCENTIVE PROGRAM - PRIORITY ACCESS TO 23,000 AF (SEE BELOW)</p>
Regional Storage Project	<p>23,000 AF (subject to Storage Panel approval WRD)</p>	<p>NONE</p> <p>REPLACED WITH REGIONAL DISADVANTAGED COMMUNITIES INCENTIVE PROGRAM WITHIN COMMUNITY STORAGE</p> <p>23,000 AF</p> <p>Third party consultant, selected by Water Rights Panel, will establish Program, including rules and guidelines, within 12 months, pursuant to which Stored Water or the opportunity to store water will be more fully available to or for the benefit of Disadvantaged Communities within the Central Basin.</p> <p>GMs of WRD and CBMWD to have right to object to</p>

PROPOSED STORAGE AMENDMENTS
Central and West Basin Water Replenishment Dist. v. Adams, et al.
 Los Angeles Superior Court, Case No. C786656

CATEGORY	2009 MOVING PARTIES' PROPOSAL	2013 COMPROMISE
		<p>Water Rights Panel's third party consultant</p> <p>Water Rights Panel, through WRD's GM, is responsible for administering the program, including ensuring that any funds generated are used by individual cities or unincorporated County areas for water systems improvements and rate stabilization within Disadvantaged Communities</p> <p>"Disadvantaged Community" means a community wholly within the Central Basin consisting of one or more contiguous census tracts which, based upon the most recent United States Census data, demonstrates a median household income which is less than eighty percent (80%) of the median household income for all Census Tracts within the State of California. The determination of Disadvantaged Communities shall be made by Watermaster following each decennial census.</p>
WRD Basin Operating Reserve	125,000 AF to WRD Page 4, Section IV (J).	<p>110,000 AF</p> <p>FOR REPLENISHMENT USE ONLY, NOT FOR STORAGE</p> <p>MODIFIED LANGUAGE TO REFLECT INTENDED USE OF SPACE: to ensure space is available for capture of natural inflows during wet years, for recapture, and for artificial replenishment when available at discounted rates, to meet APA demands, and potential increase of APA to Total Water Rights;</p> <p>to ensure space is not used to allow WRD to store water for sale or lease</p>
CEQA	Proposal Contains Language Specifying CEQA Procedures	<p>SIMPLIFIED: Proposal specifies that nothing in the Judgment is intended to affect CEQA compliance, and that all storage projects continue to be subject to all legal requirements, including CEQA</p> <p>MATERIAL PHYSICAL HARM – Definition expanded to prevent injury to potential extraction of <i>Total Water Rights</i>, not just <i>APA</i></p>
ADDITIONAL TERMS		

PROPOSED STORAGE AMENDMENTS
Central and West Basin Water Replenishment Dist. v. Adams, et al.
 Los Angeles Superior Court, Case No. C786656

CATEGORY	2009 MOVING PARTIES' PROPOSAL	2013 COMPROMISE
Limits on Storage	200% APA	SAME
Inter-basin Storage Transfer	<p>5,000 without approval, and over 5,000 if approved by Storage Panel</p> <p>Over 20,000 AF Total transfer per year throughout Basin requires Storage Panel Approval</p> <p>(2009 TAJ, pp. 121-122)</p>	<p>NO TRANSFER OF STORED WATER OR STORAGE RIGHTS REPLACED WITH INCREASED EXTRACTION FOR 4 WATER PURVEYORS WITH RIGHTS IN BOTH BASINS TO MEET NEEDS OF CENTRAL BASIN CUSTOMERS</p> <p>(LOS ANGELES, LONG BEACH, GOLDEN STATE WATER, AND CAL WATER)</p> <p>INCREASED EXTRACTION AVAILABLE ONLY FOR USE IN CENTRAL BASIN</p> <p>AVAILABLE ONLY WHEN WATER PURVEYOR IS UNABLE TO PUMP FULL APA IN WEST BASIN & HAS STORED WATER IN WEST BASIN, THEREBY AFFECTING WATER PURVEYOR'S ABILITY TO MEET CENTRAL BASIN DEMANDS</p> <p>LIMITED TO 12,000 AF TOTAL, NO DISCRETION TO INCREASE BEYOND THE 20,000 AF LIMIT</p> <p>JUDGMENT LANGUAGE CLARIFIES THE TRANSFER IS NOT INDICATION OF UNDERFLOW, UNIFORM COST OR BENEFIT ALLOCATION, OR ANY OTHER FACTOR THAT RELATES TO THE ALLOCATION OF THE RA</p> <p>NO EXPORT OF CENTRAL BASIN NATIVE WATER (APA), EXCEPT FOR EXISTING CONTRACTS FOR EXPORTS AND FOR WATER SERVICE TO AREAS OVERLYING BOTH CENTRAL BASIN AND WEST COAST BASIN</p>
Limit re: Water Export		
Limit Re Extraction of Stored Water	No party may extract in excess of 120% of the sum of (i) the party's Allowed Pumping Allocation and (ii) the party's leased water, except upon prior approval by the Storage	<p>140% LIMIT</p> <p>UNLESS APPROVED BY WATER RIGHTS PANEL</p>

PROPOSED STORAGE AMENDMENTS
Central and West Basin Water Replenishment Dist. v. Adams, et al.
 Los Angeles Superior Court, Case No. C786656

CATEGORY	2009 MOVING PARTIES' PROPOSAL	2013 COMPROMISE
	Panel as provided herein. TAJ, p. 121121, Section IV. H. "Limits on Extraction"	IN CENTRAL BASIN PRESSURE AREA, WRD MUST MAKE FINDING OF NO MATERIAL PHYSICAL HARM BEFORE WATER RIGHTS PANEL MAY APPROVE OVER-EXTRACTION
Brokering of Surplus Surface Water for Storage	Administreated by WRD	NONE
Increased Carryover	100% CARRYOVER, increasing over four years Years 1-3-----30% Year 4-----60% Years 5 + -----100%	60%, INCREASING GRADUALLY OVER FOUR YEARS Year 1-----30% Year 2-----40% Year 3-----50% Years 4 + -----60%
Carryover Conversion to Stored Water	"(2) A party having Carryover may, from time to time, elect to convert all or part of such party's Carryover to Stored Water upon payment of the Replenishment Assessment. Such Stored Water shall be assigned to that party's Individual Storage Allocation, if available, and otherwise to the Community Storage Pool." TAJ, p. 88	SAME MUST PAY RA AT TIME OF CONVERSION (Reduction from 100% is intended to protect existing lease market)
Replenishment Assessment	Does Not Apply TAJ, p. 8	SAME RA DOES NOT APPLY TO EXTRACTION OF STORED WATER
Small Producers' "call" on other parties' converted	Uniform RA Condition Triggered when lease rate exceeds 90% of Tier 1 rate. Repaid in cash	NO LONGER APPLIES TRIGGERED WHEN LEASE RATE EXCEEDS 45% OF TIER 1 RATE

PROPOSED STORAGE AMENDMENTS
Central and West Basin Water Replenishment Dist. v. Adams, et al.
 Los Angeles Superior Court, Case No. C786656

CATEGORY	2009 MOVING PARTIES' PROPOSAL	2013 COMPROMISE
Carryover		<p>MUST DEPOSIT WITH WATER RIGHTS PANEL AMOUNT EQUAL TO RA RATE</p> <p>REPAY BY FOREGOING PUMPING IN EQUAL AMOUNT WITHIN 5 YEARS, OTHERWISE PAY CASH AT TIER 1 RATE</p> <p>(Intended to protect against impact of carryover conversion and effect on lease market)</p>
GOVERNANCE		
Three-part Watermaster	<ol style="list-style-type: none"> 1) WRD 2) Water Rights Panel 3) Storage Panel (both WRD & Water Rights Panel) 	<p>SAME (With different responsibilities)</p> <p>DWR responsible for transition, including providing notice of election of Water Rights Panel within 30 days of Judgment and election within 30 days thereafter</p> <ol style="list-style-type: none"> 1) ADMINISTRATIVE BODY (WRD) 2) WATER RIGHTS PANEL <ol style="list-style-type: none"> a) modified from 5 to 7 pumper (not individual) members pursuant to parties' voting rights [determined by APA, which can be transferred through a lease]; b) staggered terms; c) term limits to be determined by Water Rights Panel; and d) panel elected as follows: <ul style="list-style-type: none"> • 3 large (> 10,000 AF APA) • 2 medium (5,000 – 10,000 AF APA) • 1 small (< 5,000 AF APA)

PROPOSED STORAGE AMENDMENTS
Central and West Basin Water Replenishment Dist. v. Adams, et al.
 Los Angeles Superior Court, Case No. C786656

CATEGORY	2009 MOVING PARTIES' PROPOSAL	2013 COMPROMISE
		<ul style="list-style-type: none"> • 1 Small Water Producers Group (Group open to all pumpers with APA < 5,000 AF APA) (with requirement that SWPG will open membership to all small pumpers) <p>3) STORAGE PANEL (Water Rights Panel & WRD Board)</p> <ul style="list-style-type: none"> • WRD/Administrative Body is not permitted to own water rights or participate in the lease market • Clarified that membership or participation as the designated Watermaster does not expand any statutory, constitutional, or other powers of the members serving as part of the Watermaster
Watermaster Procedures		<p>ADMINISTRATIVE BODY</p> <ul style="list-style-type: none"> - preparation of annual report and submission to Water Rights Panel for approval - Brown Act applicable, to the extent actions are taken by WRD Board - Budget: 50% of last DWR budget and any increase must be approved by Water Rights Panel Eliminate automatic CPI for Watermaster budget, all watermaster budget increases to be reviewed and approved by the Water Rights Panel <p>WATER RIGHTS PANEL</p> <ul style="list-style-type: none"> - Responsible for extraction issues; - to adopt Rules and Regulations

PROPOSED STORAGE AMENDMENTS
Central and West Basin Water Replenishment Dist. v. Adams, et al.
 Los Angeles Superior Court, Case No. C786656

CATEGORY	2009 MOVING PARTIES' PROPOSAL	2013 COMPROMISE
		<ul style="list-style-type: none"> - hold open meetings, no Brown Act requirements (not dealing with boards or city council of pumps) - will be responsible for the meter testing program, which can be delegated to the appropriate agency/entity - Enforcement of Judgment by Water Rights Panel: Chair of Water Rights Panel shall represent the Watermaster before the Court - Budget: \$1 per acre-foot of APA - With GM of WRD, will administer the Regional Disadvantaged Communities Incentive Program <p>STORAGE PANEL</p> <ul style="list-style-type: none"> - Responsible for storage issues, in limited circumstances where review and approval is necessary - All proceedings of all Watermaster bodies subject to Brown Act, due to WRD Board's participation - Without Regional Projects, Storage Panel is no longer responsible for approval of regional storage. All storage projects subject to CEQA, if otherwise required by law - Approval of Water Augmentation Projects, which a party <i>elects</i> to participate in to increase yearly APA (not related to automatic storage rights in Individual and Community Storage Accounts)

1 WILLIAM F. KRUSE (CSB # 090231)
2 LAGERLOF, SENECAL, GOSNEY & KRUSE, LLP
3 301 N. Lake Avenue, 10th Floor
Pasadena, CA 91101-4108
626/793-9400; FAX 626/793-5900

4 Attorneys for CITY OF LAKEWOOD,
5 CITY OF LONG BEACH
6
7

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

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

12 Plaintiff,

13 vs.

14 CHARLES E. ADAMS, et al.,

15 Defendant

16 _____
17 CITY OF LAKEWOOD, a municipal
corporation,

18 Cross-Complainant

19 vs.

20 CHARLES E. ADAMS, et al.,

21 Cross-Defendants.
22
23

Case No.: 786,656

THIRD AMENDED JUDGMENT

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

24 The original judgment in this action was entered on or about August 27, 1965.
25 Pursuant to the reserved and continuing jurisdiction of the court under the Judgment herein,
26 certain amendments to said Judgment and temporary orders have heretofore been made and
27 entered. Continuing jurisdiction of the court for this action is currently assigned to HON.
28

THIRD AMENDED JUDGMENT

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

_____.
The Motion of Plaintiff WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA (which originally brought this action under its former name "Central and West Basin Water Replenishment District"), and of defendants _____ ("Moving Parties") herein for further amendments to the Judgment, notice thereof and of the hearing thereon having been duly and regularly given to all parties, came on for hearing in Department _____ of the above-entitled court on _____ at _____ a.m. before said Hon. _____.

This "Third Amended Judgment" incorporates amendments and orders heretofore made to the extent presently operable and amendments pursuant to said last mentioned motion. To the extent this Amended Judgment is a restatement of the Judgment as heretofore amended, it is for convenience in incorporating all matters in one document, is not a readjudication of such matters and is not intended to reopen any such matters. As used hereinafter the word "Judgment" shall include the original Judgment entered in this action as amended to date, including this Third Amended Judgment.

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

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

"Adjudicated Storage Capacity" means 220,000 acre-feet of the Available Dewatered Space which has been apportioned herein for Individual Storage Accounts and Community Storage.

"Administrative Body" is defined in Section II(A).

"Administrative Year" means the Fiscal Year, defined herein.

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

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

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

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

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

16 “Base Water Right” is the highest continuous extractions of water by a party from Central
17 Basin for a beneficial use in any period of five consecutive years after the commencement of
18 overdraft in Central Basin and prior to the commencement of this action, as to which there has
19 been no cessation of use by that party during any subsequent period of five consecutive years.
20 As employed in the above definition, the words “extractions of water by a party” and “cessation
21 of use by that party” include such extractions and cessations by any predecessor or predecessors
22 in interest.

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

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

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

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

3 “Central Basin” is the underground basin or reservoir underlying Central Basin Area, the
4 exterior boundaries of which Central Basin are the same as the exterior boundaries of Central
5 Basin Area.

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

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

11 “CEQA” refers to the California Environmental Quality Act, Public Resources Code
12 §§ 21000 *et seq.*

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

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

19 “Disadvantaged Community” means a community wholly within the Central Basin
20 consisting of one or more contiguous census tracts which, based upon the most-recent United
21 States Census data, demonstrates a median household income which is less than eighty percent
22 (80%) of the median household income for all Census Tracts within the state of California. The
23 determination of Disadvantaged Communities shall be made by Watermaster following each
24 decennial census.

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

28 “Fiscal Year” is the twelve (12) month period beginning July 1 and ending June 30.

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

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

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

19 “Majority Protest” means a written protest filed with the Administrative Body of
20 Watermaster within sixty (60) days following a protested event or decision, which evidences the
21 concurrence of a majority of the Allowed Pumping Allocations held within the Basin as of the
22 date thereof.

23 “Material Physical Harm” means material physical injury or a material diminution in the
24 quality or quantity of groundwater available within the Basin to support extraction of Total
25 Water Rights or Stored Water, that is demonstrated to be attributable to the placement, recharge,
26 injection, storage or recapture of Stored Water in the Central Basin, including, but not limited to,
27 degradation of water quality, liquefaction, land subsidence and other material physical injury
28 caused by elevated or lowered groundwater levels. Material Physical Harm does not include

1 “economic injury” that results from other than direct physical causes, including any adverse
2 effect on water rates, lease rates, or demand for water. Once fully mitigated, physical injury
3 shall no longer be considered to be material.

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

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

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

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

19 “Person” or “persons” include individuals, partnerships, associations, governmental
20 agencies and corporations, and any and all types of entities.

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

23 “Regional Disadvantaged Communities Incentive Program” means a program to be
24 developed by Watermaster pursuant to Section II(H) of this Judgment whereby Stored Water, or
25 the opportunity to store water, is made available to or for the benefit of cities and unincorporated
26 county areas that are Disadvantaged Communities, on a priority basis within the Central Basin.

27 “Replenishment Assessment” means the replenishment assessment imposed by WRD
28 upon each acre-foot of groundwater extracted from the Central Basin pursuant to WRD’s

1 enabling act, California Water Code §§ 60000 et seq.

2 “Small Water Producers Group” means a body consisting of each of the entities set forth
3 on Appendix 3 hereto as may be modified from time to time by affirmative vote of the then-
4 current membership of such body, provided that each member thereof shall at all times hold no
5 greater than 5,000 acre-feet of Allowed Pumping Allocation.

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

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

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

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

19 “Water” includes only non-saline water, which is that having less than 1,000 parts of
20 chlorides to 1,000,000 parts of water.

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

24 “Water Purveyor,” means a Party (and successors in interest) which sells water to the
25 public, whether a regulated public utility, mutual water company or public entity. As that term is
26 used in Section III(B)(6), “Water Purveyor,” in addition to the foregoing, means a Party which
27 has a connection or connections for the taking of Imported Water through the Metropolitan
28 Water District of Southern California (“MWD”), or through a MWD-member agency, or access

1 to such Imported Water through such connection, and which normally supplies at least a part of
2 its customers' water needs with such Imported Water.

3 "Water Year" is the 12-month period commencing October 1 of each year and ending
4 September 30th of the following year.

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

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

16 "WRD" or "Water Replenishment District" is the plaintiff herein, the Water
17 Replenishment District of Southern California, a special district of the State of California, which
18 brought this action under its former name, "Central and West Basin Water Replenishment
19 District."

20 In those instances where any of the above-defined words, terms, phrases or clauses are
21 utilized in the definition of any of the other above-defined words, terms, phrases and clauses,
22 such use is with the same meaning as is above set forth.

23
24 **ADD UPDATED TABLE OF CONTENTS**

25
26 NOW THEREFORE, IT IS ORDERED, DECLARED, ADJUDGED AND DECREED
27 WITH RESPECT TO THE ACTION AND CROSS-ACTION AS FOLLOWS:
28

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

3 A. Determination of Rights of Parties.

4 (1) Each party, except defendants The City of Los Angeles and
5 Department of Water and Power of the City of Los Angeles, whose name is set
6 forth in Appendix 2 and by this reference made a part hereof, and after whose
7 name there appears under the column "Total Water Right" a figure other than "0,"
8 is the owner of and has the right to extract annually groundwater from Central
9 Basin for beneficial use in the quantity set forth after that party's name under said
10 column "Total Water Right" as of the close of the Administrative Year ending
11 June 30, 2012 in accordance with the Watermaster Reports on file with this Court
12 and the records of the Plaintiff. This tabulation does not take into account
13 additions or subtractions from any Allowed Pumping Allocation of a producer for
14 the 2012-2013 water year, nor other adjustments not representing change in fee
15 title to water rights, such as leases of water rights, nor does it include the names of
16 lessees of landowners where the lessees are exercising the water rights. The
17 exercise of all water rights is subject, however, to the provisions of this Judgment
18 as hereinafter contained. All of said rights are of the same legal force and effect
19 and are without priority with reference to each other. Each party whose name is
20 set forth in the tabulation in Appendix "2" of this Judgment, and after whose
21 name there appears under the column "Total Water Right" the figure "0," owns no
22 rights to extract any groundwater from Central Basin, and has no right to extract
23 any groundwater from Central Basin.

24 (2) Defendant The City of Los Angeles is the owner of the right to
25 extract fifteen thousand (15,000) acre feet per annum of groundwater from

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

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

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

13 B. Parties Enjoined as to Quantities of Extractions.

14 (1) Each party, other than The State of California and The City of Los
15 Angeles and Department of Water and Power of The City of Los Angeles, is
16 enjoined and restrained in any Administrative Year commencing after the date
17 this Judgment becomes final from extracting from Central Basin any quantity of
18 Water greater than the party's Allowed Pumping Allocation as hereinafter set
19 forth next to the name of the party in the tabulation appearing in Appendix 2 at
20 the end of this Judgment, subject to further provisions of this Judgment. Subject
21 to such further provisions, the officials, agents and employees of The State of
22 California are enjoined and restrained in any such Administrative Year from
23 extracting from Central Basin collectively any quantity of water greater than the
24 Allowed Pumping Allocation of The State of California as hereinafter set forth
25 next to the name of that party in the same tabulation. Each party adjudged and
26 declared above not to be the owner of and not to have the right to extract
27 groundwater from Central Basin is enjoined and restrained in any Administrative
28 Year commencing after the date this Judgment becomes final from extracting any

1 groundwater from Central Basin, except as may be hereinafter permitted to any
2 such party under this Judgment.

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

15 (3) Defendant The City of Los Angeles is enjoined and restrained in
16 any Administrative Year commencing after the date this Judgment becomes final
17 from extracting from Central Basin any quantity of water greater than fifteen
18 thousand (15,000) acre feet, subject to further provisions of this Judgment,
19 including but not limited to, sharing with other parties in any subsequent
20 decreases or increases in the quantity of extractions permitted from Central Basin
21 by parties, pursuant to continuing jurisdiction of the Court, on the basis that
22 fifteen thousand (15,000) acre feet bears to the Allowed Pumping Allocations of
23 the other parties. Defendant Department of Water and Power of The City of Los
24 Angeles is enjoined and restrained in any Administrative Year commencing after
25 the date this Judgment becomes final from extracting from Central Basin any
26 quantity of water other than such as it may extract on behalf of defendant The
27 City of Los Angeles, and which extractions, along with any extractions by said
28 City, shall not exceed that quantity permitted by this Judgment to that City in any

1 Administrative Year. Whenever in this Judgment the term “Allowed Pumping
2 Allocation” appears, it shall be deemed to mean as to defendant The City of Los
3 Angeles the quantity of fifteen thousand (15,000) acre feet. The limit on
4 extraction as provided in the preceding Section I(B)(1) shall also apply to The
5 City of Los Angeles.

6 (4) Any rights decreed and adjudicated herein may be transferred,
7 assigned, licensed or leased by the owner thereof provided, however, that no such
8 transfer shall be complete until compliance with the appropriate notice procedures
9 established by Watermaster. Unless a party elects otherwise, production of water
10 from the Basin for the use or benefit of the parties hereto shall be counted against
11 the party’s total extraction right in the following order: (i) Exchange Pool
12 production, (ii) production of Carryover water, (iii) production of leased water,
13 (iv) production of Allowed Pumping Allocation, (v) production of Stored Water,
14 (vi) production of water under an agreement with WRD during a period of
15 emergency pursuant to Section III(B)(6).

16 C. Parties Enjoined as to Export of Extractions. In order to protect the
17 integrity of the Basin, the transportation of water extracted from the Central Basin is
18 restricted as specified herein. Except as expressly authorized herein, or upon further
19 order of the Court, all parties are enjoined and restrained from transporting water
20 extracted from the Central Basin outside the boundaries thereof. For purposes of this
21 Section, water supplied by a Water Purveyor shall be exempt from the export prohibition
22 of this Section provided that a portion of the Water Purveyor’s service area overlies the
23 Basin and the water is used to supply the service area contiguous with the Central Basin.
24 Further, this injunction and restriction does not apply to export of water that will take
25 place pursuant to contractual obligations specifically identified on Appendix 4, nor does
26 it apply to export of Stored Water not having its origin in Carryover Conversion. The
27 export identified on Appendix 4 may continue to the extent that any such extraction does
28 not violate any other provisions of this Judgment, provided however that no such export

1 identified on Appendix 4 shall exceed 5,000 acre-feet in any Year.
2
3

4 II. APPOINTMENT OF WATERMASTER; WATERMASTER ADMINISTRATION

5 PROVISIONS. The particular bodies specified below are, jointly, hereby appointed
6 Watermaster, for an indefinite term, but subject to removal by the Court, to administer this
7 Judgment. Such bodies, which together shall constitute the "Watermaster," shall have restricted
8 powers, duties and responsibilities as specified herein, it being the court's intention that
9 particular constituent bodies of Watermaster have only limited and specified powers over certain
10 aspects of the administration of this Judgment. The predecessor Watermaster, State of
11 California, Department of Water Resources, will exercise reasonable diligence in the complete
12 transition of Watermaster duties and responsibilities within a reasonable time following entry of
13 this order, and to make available to the new Watermaster all records concerning Watermaster
14 activities. To that end, within thirty (30) days of the entry of this Third Amended Judgment, the
15 Department of Water Resources shall provide notice to all Parties of the first election of the
16 Water Rights Panel pursuant to Section II(B). Within thirty (30) days thereafter, the Department
17 of Water Resources shall conduct the first election pursuant to Section II(B) and shall publish
18 notice of the results thereof within five (5) days thereafter. The chair of the Central Basin Water
19 Rights Panel (defined below) shall thereafter represent the Watermaster before the Court.

20 A. The Administrative Body. Plaintiff Water Replenishment District of
21 Southern California ("WRD") is appointed the Administrative Body of the Central Basin
22 Watermaster ("Administrative Body"). In order to assist the Court in the administration
23 of the provisions of this Judgment and to keep the Water Rights Panel and the Court fully
24 advised in the premises, the Administrative Body shall have the following duties, powers
25 and responsibilities:

26 (1) To Require Reports, Information and Records. In consultation
27 with the Water Rights Panel, the Administrative Body shall require the parties to
28 furnish such reports, information and records as may be reasonably necessary to

1 determine compliance or lack of compliance by any party with the provisions of
2 this Judgment.

3 (2) Storage Projects. The Administrative Body shall exercise such
4 powers as may be specifically granted to it under this Judgment with regard to
5 Stored Water.

6 (3) Annual Report. The Administrative Body shall prepare, on or
7 before the 15th day of the fourth month following the end of the preceding
8 Administrative Year, an annual report for the consideration of the Water Rights
9 Panel. The Chair of the Water Rights Panel shall submit to the Court either (1)
10 the annual report prepared by the Administrative Body, following the adoption by
11 the Water Rights Panel, or (2) an annual report separately prepared and adopted
12 by the Water Rights Panel. An annual report submitted to the Court shall be
13 limited to the following, unless otherwise required by the Court:

- 14 (a) Groundwater extractions
- 15 (b) Storage Accounts maintained by each party
- 16 (c) Status of the Regional Disadvantaged Community
17 Incentive Program
- 18 (d) Exchange Pool operation
- 19 (e) Use of Imported Water
- 20 (f) Violations of this Judgment and corrective action taken by
21 bodies of Watermaster having jurisdiction as provided in this
22 Judgment
- 23 (g) Change of ownership of Total Water Rights
- 24 (h) Watermaster administration costs
- 25 (i) Water spread or imported into the Basin
- 26 (j) Water Augmentation Projects
- 27 (k) Whether the Administrative Body has become aware of the
28 development of a Material Physical Harm, or imminent threat of the

1 development of a material Physical Harm, as required pursuant to
2 Section IV(B) of this Judgment

3 (l) Other matters as agreed with the Water Rights Panel

4 (m) Recommendations, if any.

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

9 (4) Annual Budget and Appeal Procedure in Relation Thereto. By
10 April 1 of each Administrative Year, the Administrative Body shall prepare a
11 proposed administrative budget for the subsequent year stating the anticipated
12 expense for performing the administrative functions specified in this Judgment
13 (the "Administrative Budget"). The Administrative Body shall mail a copy of the
14 proposed Administrative Budget to each of the Parties at least 60 days before the
15 beginning of each Administrative Year. The Administrative Budget mailed to the
16 Parties shall provide sufficient detail in the Administrative Budget to demonstrate
17 a separation in accounting between the Administrative Budget and WRD's
18 Replenishment Assessment and operating budget. For the first Administrative
19 Year of operation under this Third Amended Judgment, if the Administrative
20 Body is unable to meet the above time requirement, the Administrative Body shall
21 mail said copies as soon as possible. The first year the Administrative Budget is
22 prepared, the amount of that budget shall not exceed an amount equal to fifty
23 percent (50%) of the 2012-2013 charge for Watermaster service for the Central
24 Basin collected from Parties by the California Department of Water Resources.
25 At all times, the Administrative Body shall maintain a separation in accounting
26 between the Administrative Budget and WRD's Replenishment Assessment and
27 operating budget. All increases in future budgets for the Administrative Body
28 above the amount set forth above shall be subject to approval by the Water Rights

1 Panel following a public meeting to be held prior to the beginning of the
2 Administrative Year, provided that the approved budget shall not be less than the
3 amount of the first-year budget for the Administrative Body, except upon further
4 order of the Court. Any administrative function by WRD already paid for by the
5 Replenishment Assessment shall not be added as an expense in the Administrative
6 Budget. Similarly, any expense paid for by the Administrative Budget shall not be
7 added to WRD's operating budget, or otherwise added to the calculation of the
8 Replenishment Assessment. While WRD may approve the proposed
9 Administrative Budget at the same meeting in which WRD adopts its annual
10 Replenishment Assessment or annual budget, the Administrative Body's budget
11 shall be separate and distinct from the Replenishment Assessment imposed
12 pursuant to Water Code §60317 and WRD's operating budget.

13 If approval by the Water Rights Panel is required pursuant to the
14 foregoing, the Water Rights Panel shall act upon the proposed budget within 15
15 calendar days after the public meeting. If the Water Rights Panel does not
16 approve the budget prior to such deadline, the matter may be appealed to the
17 Court within sixty (60) days. If any Party hereto has any objection to the
18 Administrative Budget, it shall present the same in writing to Watermaster within
19 15 days after the date of mailing of said tentative budget by the Administrative
20 Body. The Parties shall make the payments otherwise required of them to the
21 Administrative Body even though an appeal of such budget may be pending.
22 Upon any revision by the Court, the Administrative Body shall either remit to the
23 Parties their pro rata portions of any reduction in the budget, or shall credit their
24 accounts with respect to their budget assessments for the next ensuing
25 Administrative Year, as the Court shall direct.

26 The amount of the Administrative Budget to be assessed to each party
27 shall be determined as follows: If that portion of the final budget to be assessed to
28 the Parties is equal to or less than \$20.00 per party then the cost shall be equally

1 apportioned among the Parties. If that portion of the final budget to be assessed to
2 Parties is greater than \$20.00 per party then each Party shall be assessed a
3 minimum of \$20.00. The amount of revenue expected to be received through the
4 foregoing minimum assessments shall be deducted from that portion of the final
5 budget to be assessed to the Parties and the balance shall be assessed to the Parties
6 having Allowed Pumping Allocation, such balance being divided among them
7 proportionately in accordance with their respective Allowed Pumping Allocation.

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

17 Any money unexpended at the end of any Fiscal Year shall be applied to
18 the budget of the next succeeding Fiscal Year. The Administrative Body shall
19 maintain no reserves.

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

25 (5) Rules. The Administrative Body may adopt, and amend from time
26 to time, rules consistent with this Judgment as may be reasonably necessary to
27 carry out duties under the provisions of this Judgment within its particular area of
28 responsibility. The Body shall adopt its first set of rules and procedures within

1 three (3) months following entry of this Third Amended Judgment. The rules
2 shall be effective on such date after the mailing thereof to the Parties as is
3 specified by the Body, but not sooner than thirty (30) days after such mailing.

4 B. The Central Basin Water Rights Panel. The Central Basin Water Rights Panel of
5 the Central Basin Watermaster (“Water Rights Panel”) shall consist of seven (7) members who
6 shall be elected from among representatives of the Parties with Annual Pumping Allocation
7 within specified limits as described herein. For purposes of this Section, the calculation of a
8 Party’s Allowed Pumping Allocation shall be adjusted pursuant to a water rights lease agreement
9 with another Party that transfers the right to produce Allowed Pumping Allocation. For purposes
10 of this Section, each Party’s Allowed Pumping Allocation shall be adjusted pursuant to the
11 negotiated terms of such agreement in any Year for which such agreement is effective. One (1)
12 such member of the Water Rights Panel shall be elected by vote of the Small Water Producers
13 Group. One (1) such member shall be elected by vote of Parties with Allowed Pumping
14 Allocation of less than 5,000 acre-feet who are not members of the Small Water Producers
15 Group. Two (2) such members shall be elected by vote of Parties with Allowed Pumping
16 Allocation of at least 5,000 acre-feet but less than 10,000 acre-feet. Three (3) such members
17 shall be elected by vote of Parties with Allowed Pumping Allocation of 10,000 acre-feet or
18 greater. Such elections shall be conducted within sixty (60) days of the date this Third Amended
19 Judgment becomes final. Each such rights holder shall have the right to cast a total number of
20 votes equal to the number of acre-feet of its Allowed Pumping Allocation (rounded to the next
21 highest whole number), multiplied by the number of seats to be filled. Votes may be cast for one
22 or more of the candidates in such separate category. No party shall be entitled to vote in more
23 than one of the following categories: (1) Small Water Producers Group, (2) parties with Allowed
24 Pumping Allocation less than 5,000 acre-feet, (3) parties with Allowed Pumping Allocation of at
25 least 5,000 acre-feet, but less than 10,000 acre-feet, and (4) parties with Allowed Pumping
26 Allocation of 10,000 acre-feet or greater. The results of such election shall be reported to the
27 Court for confirmation of each member’s appointment to the Water Rights Panel of Watermaster.
28 The members of the Water Rights Panel shall be those candidates receiving the highest vote total

1 in their respective categories. The Water Rights Panel shall hold its first meeting within thirty
2 (30) days of the date the results of the first election are announced by the Department of Water
3 Resources pursuant to the introductory paragraph of this Part II. The Water Rights Panel shall
4 develop rules to establish the staggered terms of its members and rules for its operation as in
5 Section II(D). The Water Rights Panel shall take action, including the election of its Chair, by
6 majority vote of its members. Members of the Water Rights Panel shall serve without
7 compensation.

8 (1) The Water Rights Panel shall have the following duties and
9 responsibilities:

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

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

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

28 (d) Reports. The Water Rights Panel, in cooperation with the

1 Administrative Body, shall report to the Court, concerning any or all
2 of the following:

- 3 (i) Groundwater extractions
- 4 (ii) Exchange Pool operation
- 5 (iii) Status of the Regional Disadvantaged Community
6 Incentive Program
- 7 (iv) Violations of this Judgment and corrective action
8 taken or sought
- 9 (v) Change of ownership of Total Water Rights
- 10 (vi) Assessments made by the Water Rights Panel and
11 any costs incurred
- 12 (vii) Whether the Water Rights Panel has become
13 aware of the development of a Material Physical Harm, or
14 imminent threat of the development of a Material Physical
15 Harm, as required pursuant to Section IV(B) of this
16 Judgment
- 17 (viii) The Administrative Report prepared by the
18 Administrative Body, if adopted by the Water Rights Panel
- 19 (ix) Recommendations, if any.

20 The Chair of the Water Rights Panel shall be responsible for reporting to
21 the Court concerning adjudicated water rights issues in the Basin.

22 (2) Assessment. The Water Rights Panel shall assess holders of water
23 rights within the Central Basin an annual amount not to exceed \$1.00 per acre-
24 foot of Allowed Pumping Allocation, by majority vote of the members of the
25 Water Rights Panel. The body may assess a higher amount, subject to being
26 overruled by Majority Protest. The assessment is intended to cover any costs
27 associated with reporting responsibilities, any Judgment enforcement action, and
28 the review of storage projects as a component of the "Storage Panel" as provided

1 below. It is anticipated that this body will rely on the Administrative Body's staff
2 for the functions related to the Administrative Body's responsibilities, but the
3 Water Rights Panel may engage its own staff if required in its reasonable
4 judgment. Assessments will constitute a lien on the water right assessed,
5 enforceable as provided in this Judgment.

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

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

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

1 matters.

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

24 F. Effect of Non-Compliance by Watermaster With Time Provisions. Failure
25 of the Watermaster to perform any duty, power or responsibility set forth in this
26 Judgment within the time limitation herein set forth shall not deprive the Watermaster or
27 its applicable constituent body of authority to subsequently discharge such duty, power
28 or responsibility, except to the extent that any such failure by the Watermaster may have

1 rendered some otherwise required act by a party impossible.

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

9 H. Regional Disadvantaged Communities Incentive Program. The Water
10 Rights Panel, through the General Manager of WRD, shall establish a Regional
11 Disadvantaged Communities Incentive Program, pursuant to which Stored Water or the
12 opportunity to store water will be more fully available to or for the benefit of
13 Disadvantaged Communities within the Central Basin. The establishment of such
14 Program shall not otherwise diminish the rights granted to Parties under this Judgment.
15 Any Storage Project established pursuant to this Program shall have priority to use up to
16 23,000 acre-feet of Available Storage within the Community Storage Pool. The Water
17 Rights Panel shall meet within thirty (30) days of its formation to identify and consider
18 potential third-party independent consultants who may be retained to design the Program,
19 including those recommended by the General Manager of WRD and the General
20 Manager of the Central Basin Municipal Water District. The Water Rights Panel shall
21 select a consultant within thirty (30) days thereafter. In the event any objection to the
22 selected consultant is made in writing either by the General Manager of WRD or by the
23 General Manager of the Central Basin Municipal Water District, then the Water Rights
24 Panel, the General Manager of WRD and the General Manager of the Central Basin
25 Municipal Water District shall exchange a list of no more than two (2) consultants each
26 for further consideration. If the Water Rights Panel, the General Manager of WRD and
27 the General Manager of the Central Basin Municipal Water District are unable to agree to
28 a consultant within an additional thirty (30) days, then the Chair of the Water Rights

1 Panel shall file a request with the Court for an order appointing a consultant. Upon
2 selection of a third-party independent consultant, whether through the Water Rights
3 Panel process or the court process identified herein, the consultant shall design and
4 recommend the detailed Program to the Water Rights Panel within ninety (90) days of
5 the consultant's retention. The Program shall be implemented within one year of entry of
6 this Third Amended Judgment. The Water Rights Panel, through the General Manager
7 of WRD, shall be responsible for administration of the Program, including insuring that
8 any funds generated through the Program benefit the targeted Disadvantaged
9 Community. Watermaster shall report to the Court concerning such program as a part of
10 its annual report.

11
12 III. PROVISIONS FOR PHYSICAL SOLUTION TO MEET THE WATER
13 REQUIREMENTS IN CENTRAL BASIN. In order to provide flexibility to the injunction set
14 forth in Part I of the Judgment, and to assist in a physical solution to meet water requirements in
15 Central Basin, the injunction so set forth is subject to the following provisions.

16 A. Carryover of Portion of Allowed Pumping Allocation.

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

1 Storage accounts, as hereinafter defined. For purposes of this Section, the
2 “Applicable Percentage” shall be as follows for the years indicated:

3 For the Administrative Year in which this
4 Third Amended Judgment becomes final: 30%
5 For the next Administrative Year: 40%
6 For the next Administrative Year: 50%
7 For the next Administrative Year and years
8 following: 60%

9 (2) Conversion of Carryover to Stored Water. A party having
10 Carryover may, from time to time, elect to convert all or part of such party’s
11 Carryover to Stored Water as authorized herein (“Carryover Conversion”) upon
12 payment of the Replenishment Assessment to WRD. Such Stored Water shall be
13 assigned to that party’s Individual Storage Allocation, if available, and otherwise
14 to the Community Storage Pool.

15 (3) Declared Water Emergency. The Board of Directors of WRD
16 may, from time to time, declare a water emergency upon a determination that
17 conditions within the Central Basin relating to natural and imported water
18 supplies are such that, without implementation of the Declared Water Emergency
19 provisions of this subsection, the water resources of the Central Basin risk
20 degradation. In making such declaration, the Board of Directors shall consider
21 any information and requests provided by water producers, purveyors and other
22 affected entities and shall, for that purpose, hold a public hearing in advance of
23 such declaration. A Declared Water Emergency shall extend for one (1) year
24 following such resolution, unless sooner ended by similar resolution.

25 (4) Drought Carryover. Following the declaration of a Declared Water
26 Emergency and until the Declared Water Emergency ends either by expiration or
27 by resolution of the Board of Directors of WRD, each party adjudged to have a
28 Total Water Right or water rights and who, during a particular Administrative

1 Year, does not extract from Central Basin a total quantity equal to such party's
2 Allowed Pumping Allocation for the particular Administrative Year, less any
3 allocated subscriptions by such party to the Exchange Pool, or plus any allocated
4 requests by such party for purchase of Exchange Pool water, is permitted to carry
5 over (the "Drought Carryover") from such Administrative Year the right to
6 extract from Central Basin so much of said total quantity as it did not extract
7 during the period of the Declared Water Emergency, to the extent such quantity
8 exceeds the One Year Carryover, not to exceed an additional 35% of such party's
9 Allowed Pumping Allocation, or additional 35 acre feet, whichever of said 35%
10 or 35 acre feet is the larger, less the amount of such party's Stored Water.
11 Carryover amounts shall first be allocated to the One Year Carryover and any
12 remaining carryover amount for that year shall be allocated to the Drought
13 Carryover.

14 (5) Accumulated Drought Carryover. No further amounts shall be
15 added to the Drought Carryover following the end of the Declared Water
16 Emergency, provided however that in the event another Declared Water
17 Emergency is declared, additional Drought Carryover may be added, to the extent
18 such additional Drought Carryover would not cause the total Drought Carryover
19 to exceed the limits set forth above. The Drought Carryover shall be
20 supplemental to and shall not affect any previous drought carryover acquired by a
21 party pursuant to previous order of the court.

22 B. When Over-Extractions May be Permitted.

23 (1) Underestimation of Requirements for Water. Any party hereto
24 without Stored Water, having an Allowed Pumping Allocation, and not in
25 violation of any provision of this Judgment may extract in an Administrative Year
26 an additional quantity of water not to exceed: (a) 20% of such party's Allowed
27 Pumping Allocation or 20 acre feet, whichever is greater, and (b) any amount in
28 addition thereto which may be approved in advance by the Water Rights Panel of

1 Watermaster.

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

16 (3) Reductions in Allowed Pumping Allocations for the Next
17 Succeeding Administrative Year to Compensate for Overpumping. Whenever,
18 pursuant to Section III(B)(1), a party over-extracts in excess of such party's
19 Allowed Pumping Allocation plus that party's available One-Year Carryover and
20 any Stored Water held by that party, and such excess has not been approved in
21 advance by the Water Rights Panel, then such party's Allowed Pumping
22 Allocation for the following Administrative Year shall be reduced by an amount
23 equivalent to its total over-extractions in the particular Administrative Year in
24 which it occurred.

25 (4) Reports of Certain Over-extractions to the Court. Whenever a
26 party over-extracts in excess of 20% of such party's Allowed Pumping Allocation
27 plus that party's available One-Year Carryover and any Stored Water held by that
28 party, without having obtained prior approval of the Water Rights Panel, such

1 shall constitute a violation of the Judgment and the Water Rights Panel shall make
2 a written report to the Court for such action as the Court may deem necessary.
3 Such party shall be subject to such injunctive and other processes and action as
4 the Court might otherwise take with regard to any other violation of such
5 Judgment.

6 (5) Effect of Over-extractions on Rights. Any party who over-extracts
7 from Central Basin in any Administrative Year shall not acquire any additional
8 rights by reason of such over-extractions; nor shall any required reductions in
9 extractions during any subsequent years reduce the Total Water Right or water
10 rights of any party to the extent said over-extractions are in compliance with
11 paragraph 1 above.

12 (6) Pumping Under Agreement With Plaintiff During Periods of
13 Emergency. Plaintiff WRD overlies Central Basin and engages in activities of
14 replenishing the groundwaters thereof. Plaintiff by resolution has appropriated
15 for use during emergencies the quantity of 17,000 acre feet of imported and
16 reclaimed water replenished by it into Central Basin, and pursuant to such
17 resolution Plaintiff reserves the right to use or cause the use of such quantity
18 during such emergency periods for the benefit of Water Purveyors.

19 (a) Notwithstanding any other provision of this Judgment,
20 parties who are Water Purveyors (including successors in interest) are
21 authorized to enter into agreements with Plaintiff for extraction of a
22 portion of Plaintiff's 17,000 acre-feet of appropriated water, in excess
23 of their respective Allowed Pumping Allocations for the particular
24 Administrative Year when the following conditions are met:

25 (i) Plaintiff is in receipt of a resolution of the Board of
26 Directors of the Metropolitan Water District of Southern
27 California ("MWD") that there is an actual or immediately
28 threatened temporary shortage of MWD's imported water

1 supply compared to MWD's needs, or a temporary inability
2 to deliver MWD's imported water supply throughout its
3 area, which will be alleviated by overpumping from Central
4 Basin.

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

23 (iii) In said resolution, Plaintiff's Board of Directors
24 sets a public hearing, and notice of the time, place and date
25 thereof (which may be continued from time to time without
26 further notice) is given by First Class Mail to the current
27 designees of the Parties, filed and served in accordance
28 with Section VI(C) of this Judgment. Said notice shall be

1 mailed at least five (5) days before the scheduled hearing
2 date.

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

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

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

15 (ii) They shall be offered to all Water Purveyors,
16 excepting those which Plaintiff's Board of Directors
17 determines should not overpump because such
18 overpumping would occur in undesirable proximity to a sea
19 water barrier project designed to forestall sea water
20 intrusion, or within or in undesirable proximity to an area
21 within Central Basin wherein groundwater levels are at an
22 elevation where overpumping is under all the
23 circumstances then undesirable.

24 (iii) The maximum terms for the agreements shall be
25 four (4) months, which agreements shall commence on the
26 same date and end on the same date (and which may be
27 executed at any time within the four-month period), unless
28 an extension thereof is authorized by the Court, under Part

1 V of this Judgment.

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

25 (v) They shall contain provisions that: (1) All of such
26 agreements (but not less than all) shall be subject to
27 termination by Plaintiff if, in the Judgment of Plaintiff's
28 Board of Directors, the conditions or threatened conditions

1 upon which they were based have abated to the extent over
2 extractions are no longer considered necessary; and (2) that
3 any individual agreement or agreements may be terminated
4 if the Plaintiff's Board of Directors finds that adverse
5 hydrologic circumstances have developed as a result of
6 over extractions by any water purveyor or purveyors which
7 have executed said agreements, or for any other reason that
8 Plaintiff's Board of Directors finds good and sufficient.

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

12 (i) The quantity of overpumping permitted shall be
13 additional to that which the water purveyor could otherwise
14 overpump under this Judgment.

15 (ii) The total quantity of permitted overpumping under
16 all said agreements during said four months shall not
17 exceed seventeen thousand (17,000) acre feet, but the
18 individual water purveyor shall not be responsible or
19 affected by any violation of this requirement. That total is
20 additional to over extractions otherwise permitted under
21 this Judgment.

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

26 (iv) If any party claims it is being damaged or
27 threatened with damage by the over extractions by any
28 party to such an agreement, the first party or the Water

1 Rights Panel may seek appropriate action of the Court for
2 termination of any such agreement upon notice of hearing
3 to the party complaining, to the party to said agreement, to
4 the plaintiff, and to any parties who have filed a request for
5 special notice. Any termination shall not affect the
6 obligation of the party to make payments under the
7 agreement for over extractions which did occur thereunder.

8 (v) Plaintiff shall maintain separate accounting of the
9 proceeds from payments made pursuant to agreements
10 entered into under this Part. Said fund shall be utilized
11 solely for purposes of replenishment in replacement of
12 waters in Central Basin and West Basin. Plaintiff shall as
13 soon as practicable cause replenishment in Central Basin by
14 the amounts to be overproduced pursuant to this Paragraph
15 6, whether through spreading, injection, or in lieu
16 agreements.

17 (vi) Over extractions pursuant to the agreements shall
18 not be subject to the "make up" provisions of the Judgment
19 as amended, provided that if any party fails to make
20 payments as required by the agreement, Plaintiff may
21 require such "make up" under Section III(B)(3) of this
22 Judgment.

23 (vii) A Water Purveyor under any such
24 agreement may, and is encouraged to enter into appropriate
25 arrangements with customers who have water rights in
26 Central Basin under or pursuant to this Judgment whereby
27 the Water Purveyor will be assisted in meeting the
28 objectives of the agreement.

1 (7) Exemption for Extractors of Contaminated Groundwater. Any
2 party herein may petition WRD for a Non-consumptive Water Use Permit as part
3 of a project to remedy or ameliorate groundwater contamination. If the petition is
4 granted as set forth in this paragraph, the petitioner may extract the groundwater
5 as permitted hereinafter, without the production counting against the petitioner's
6 production rights.

7 (a) If the Board of WRD determines by Resolution that there is
8 a problem of groundwater contamination that a proposed program will
9 remedy or ameliorate, an operator may make extractions of
10 groundwater to remedy or ameliorate that problem without the
11 production counting against the petitioner's production rights if the
12 water is not applied to beneficial surface use, its extractions are made
13 in compliance with all the terms and conditions of the Board
14 Resolution, and the Board has determined in the Resolution either of
15 the following:

16 (i) The groundwater to be extracted is unusable and
17 cannot be economically treated or blended for use with
18 other water.

19 (ii) The proposed program involves extraction of usable
20 water in the same quantity as will be returned to the
21 underground without degradation of quality.

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

27 (c) Upon written notice to the operator involved, the Board
28 may rescind or modify its Resolution. The rescission or modification

1 of the Resolution shall apply to groundwater extractions occurring
2 more than ten (10) days after the rescission or modification. Notice of
3 rescission or modification shall be either mailed first class mail,
4 postage prepaid, at least two weeks prior to the meeting of the Board at
5 which the rescission or modification will be made to the address of
6 record of the operator or personally delivered two weeks prior to the
7 meeting.

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

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

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

17 (8) Where any Party has elected, as permitted by Section III(A)(2), to
18 convert Carryover to Stored Water, any other Party which has not, within the
19 previous ten (10) years, been granted approval to extract Carryover Conversion
20 under this Section III(B)(8) more than five (5) times, may apply to the Storage
21 Panel for the right to extract all or a portion of that Carryover Conversion in the
22 year such Conversion occurs. The Storage Panel shall grant such request,
23 providing there is no Material Physical Harm, if it determines that leased
24 groundwater to meet the applicant's needs within the Basin cannot be obtained for
25 less than forty-five percent (45%) of MWD's Imported Water rate for delivery of
26 untreated water to the Central Basin spreading facilities (which rate is presently
27 MWD's "Full Service Untreated Volumetric Cost, Tier 1"), and that the applicant
28 will fully extract its Allowed Pumping Allocation, Carryover, and Stored Water,

1 if any, in addition to its permitted overextraction under Section III(B)(1), prior to
2 accessing such Carryover Conversion.

3 Upon such approval, the applicant may thereafter extract such water as
4 provided herein. A Party so extracting groundwater shall fully restore such
5 extracted water (either through under-extraction of its rights or through importing
6 water) during the five-year period following the Year in which the extraction
7 under this Section occurs. Otherwise, the extracting Party shall pay to
8 Watermaster an amount equal to 100% of MWD's Imported Water rate for
9 delivery of untreated water to the Central Basin spreading facilities (which rate is
10 presently MWD's "Full Service Untreated Volumetric Cost, Tier 1") whether or
11 not such water is available that year, for the year during which is the fifth
12 anniversary of the year during which such Carryover Conversion extraction
13 occurs, multiplied by the amount of Carryover Conversion so extracted and not
14 restored during such five-year period. Payment shall be made within thirty (30)
15 days of demand by Watermaster. No Replenishment Assessment shall be due on
16 Carryover Conversion so extracted. However, the Party must deposit with the
17 Watermaster an amount equal to the Replenishment Assessment that would
18 otherwise be imposed by WRD upon such extraction. If the party restores the
19 water within the 5-year repayment period, then the Watermaster shall promptly
20 return the deposit to the Party, without interest. If the Party does not restore the
21 water within the 5-year repayment period, the deposit shall be credited towards
22 the Party's obligation to pay 100% of MWD's Imported Water rate as required
23 herein.

24 Should there be multiple requests to so extract Carryover Conversion in
25 the same year, the Storage Panel shall allocate such extraction right such that each
26 requesting party may extract a pro rata portion of the available Carryover
27 Conversion for that year. No party may extract in excess of 2,500 acre feet of
28 groundwater pursuant to this Section III(B)(8) in a single Year. Amounts paid to

1 Watermaster hereunder shall be used by WRD solely for purchase of water for
2 replenishment in the Basin. Watermaster, through the Storage Panel, shall give
3 reasonable notice to the Parties of any application to so extract Carryover
4 Conversion in such manner as the Storage Panel shall determine, including,
5 without limitation, notice by electronic mail or by website posting, at least ten
6 (10) days prior to consideration of any such application.

7 C. Exchange Pool Provisions.

8 (1) Definitions.

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

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

17 (b) "Exchangor" is one who offers, voluntarily or otherwise,
18 pursuant to subsequent provisions, to reduce its extractions below its
19 Allowed Pumping Allocation in order to permit such additional
20 extractions by others.

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

23 (d) "Undue hardship" means unusual and severe economic or
24 operational hardship, other than that arising (i) by reason of any
25 differential in quality that might exist between water extracted from
26 Central Basin and water available for importation or (ii) by reason of
27 any difference in cost to a party in subscribing to the Exchange Pool
28 and reducing its extractions of water from Central Basin in an

1 equivalent amount as opposed to extracting any such quantity itself.

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

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

13 (3) Procedure for Purchasing Exchange Pool Water. Not later than
14 the 40th day following the commencement of each Administrative Year, each
15 such party desiring to purchase water from the Exchange Pool shall file with the
16 Watermaster a request to so purchase, setting forth the amount of water in acre
17 feet that such party estimates that it will require during the then current
18 Administrative Year in excess of the total of:

19 (a) Its Allowed Pumping Allocation for that particular
20 Administrative Year; and

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

25 Any party who as of the beginning of any Administrative Year has
26 existing facilities for the taking of imported water and who makes a request to
27 purchase from the Exchange Pool must provide with such request substantiating
28 data and other proof which, together with any further data and other proof

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

14 (4) Subscriptions to Exchange Pool.

15 (a) Required Subscription. Each party having existing
16 facilities for the taking of imported water as of the beginning of any
17 Administrative Year hereby subscribed to the Exchange Pool for
18 purposes of meeting Category (a) requests thereon, as more
19 particularly defined in paragraph 5 of this Subpart C, twenty percent
20 (20%) of its Allowed Pumping Allocation, or the quantity of imported
21 water which it is able, without undue hardship, to obtain, take and put
22 to beneficial use through its distribution system or systems existing as
23 of the beginning of the particular Administrative Year in addition to
24 such party's own estimated needs for imported water during that water
25 year, whichever is the lesser. A party's subscription under this
26 subparagraph (a) and subparagraph (b) of this paragraph 4 is
27 sometimes hereinafter referred to as a "required subscription."

28 (b) Report to Watermaster Water Rights Panel by Parties with

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

19 (c) Voluntary Subscriptions. Any party, whether or not having
20 facilities for the taking of imported water, who desires to subscribe to
21 the Exchange Pool a quantity or further quantity of its Allowed
22 Pumping Allocation, may so notify the Water Rights Panel in writing
23 of the quantity of such offer on or prior to the 40th day following the
24 commencement of the particular Administrative Year. Such
25 subscriptions are referred to hereinafter as "voluntary subscriptions."
26 Any Exchangor who desires that any part of its otherwise required
27 subscription not needed to fill Category (a) requests shall be available
28 for Category (b) requests may so notify the Water Rights Panel in

1 writing on or prior to said 40th day. If all of that Exchangor's
2 otherwise required subscription is not needed in order to fill Category
3 (a) requests, the remainder of such required subscription not so used,
4 or such part thereof as such Exchangor may designate, shall be deemed
5 to be a voluntary subscription.

6 (5) Limitations on Purchases of Exchange Pool Water and Allocation
7 of Requests to Purchase Exchange Pool Water Among Exchangors.

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

10 (i) Category (a) requests. The quantity requested by
11 each Exchangee, whether or not that Exchangee has an
12 Allowed Pumping Allocation, which quantity is not in
13 excess of 150% of its Allowed Pumping Allocation, if any,
14 or 100 acre feet, whichever is greater. Requests or portions
15 thereof within the above criteria are sometimes hereinafter
16 referred to as "Category (a) requests."

17 (ii) Category (b) requests. The quantity requested by
18 each Exchangee having an Allowed Pumping Allocation to
19 the extent the request is in excess of 150% of that Allowed
20 Pumping Allocation or 100 acre feet, whichever is greater,
21 and the quantity requested by each Exchangee having no
22 Allowed Pumping Allocation to the extent the request is in
23 excess of 100 acre feet. Portions of requests within the
24 above criteria are sometimes hereinafter referred to as
25 "Category (b) requests."

26 (b) Filling of Category (a) Requests. All Exchange Pool
27 subscriptions, required and voluntary, shall be available to fill
28 Category (a) requests. Category (a) requests shall be filled first from

1 voluntary subscriptions, and if voluntary subscriptions should be
2 insufficient to fill all Category (a) requests required subscriptions shall
3 be then utilized to fill Category (a) requests. All Category (a) requests
4 shall be first filled before any Category (b) requests are filled.

5 (c) Filling of Category (b) Requests. To the extent that
6 voluntary subscriptions have not been utilized in filling Category (a)
7 requests, Category (b) requests shall be filled only out of any
8 remaining voluntary subscriptions. Required subscriptions will then
9 be utilized for the filling of any remaining Category (b) requests.

10 (d) Allocation of Requests to Subscriptions When Available
11 Subscriptions Exceed Requests. In the event the quantity of
12 subscriptions available for any category of requests exceeds those
13 requests in that category, or exceeds the remainder of those requests in
14 that category, such requests shall be filled out of such subscriptions
15 proportionately in relation to the quantity of each subscription.

16 (e) Allocation of Subscriptions to Category (b) Requests in the
17 Event of Shortage of Subscriptions. In the event available
18 subscriptions are insufficient to meet Category (b) requests, available
19 subscriptions shall be allocated to each request in the proportion that
20 the particular request bears to the total requests of the particular
21 category.

22 (6) Additional Voluntary Subscriptions. If subscriptions available to
23 meet the requests of Exchangees are insufficient to meet all requests, additional
24 voluntary subscriptions may be solicited and received from parties by the Water
25 Rights Panel. Such additional subscriptions shall be allocated first to Category (a)
26 requests to the extent unfilled, and next to Category (b) requests to the extent
27 unfilled. All allocations are to be otherwise in the same manner as earlier
28 provided in paragraph 5 (a) through 5 (e) inclusive.

1 (7) Effect if Category (a) Requests Exceed Available Subscriptions,
2 Both Required and Voluntary. In the event that the quantity of subscriptions
3 available to fill Category (a) requests is less than the total quantity of such
4 requests, the Exchangees may, nonetheless, extract the full amount of their
5 Category (a) requests otherwise approved by the Water Rights Panel as if
6 sufficient subscriptions were available. The amounts received by the Water
7 Rights Panel on account of that portion of the approved requests in excess of the
8 total quantities available from Exchangors shall either be paid by the Water
9 Rights Panel to WRD in trust for the purpose of purchasing imported water and
10 spreading the same in Central Basin for replenishment thereof. Thereafter WRD
11 may, at any time, withdraw said funds or any part thereof so credited in trust for
12 the aforesaid purpose, or may by the 40th day of any Administrative Year utilize
13 all or any portion of said funds for the purchase of water available from
14 subscriptions by Exchangors in the event the total quantity of such subscriptions
15 exceeds the total quantity of approved requests by parties to purchase Exchange
16 Pool water. To the extent that there is such an excess of available subscriptions
17 over requests and to the extent that the existing credit in favor of WRD is
18 sufficient to purchase such excess quantity at the price established for Exchange
19 Pool purchases during that Administrative Year, the money shall be paid to the
20 Exchangors in the same manner as if another party had made such purchase as an
21 Exchangee. WRD shall not extract any such Exchange Pool water so purchased.

22 (8) Additional Pumping by Exchangees Pursuant to Exchange Pool
23 Provisions. An Exchangee may extract from Central Basin in addition to its
24 Allowed Pumping Allocation for a particular Administrative Year that quantity of
25 water which it has requested to purchase from the Exchange Pool during that
26 Administrative Year and which has been allocated to it pursuant to the provisions
27 of paragraphs 5, 6 and 7. The first pumping by an Exchangee in any
28 Administrative Year shall be deemed to be pumping of the party's allocation of

1 Exchange Pool water.

2 (9) Reduction in Pumping by Exchangors. Each Exchangor shall in
3 each Administrative Year reduce its extractions of water from Central Basin
4 below its Allowed Pumping Allocation for the particular year in a quantity equal
5 to the quantity of Exchange Pool requests allocated to it pursuant to the provisions
6 of paragraphs 4, 5, 6 and 7 of this Subpart C.

7 (10) Price to be Paid for Exchange Pool Water. The price to be paid by
8 Exchanges and to be paid to Exchangors per acre foot for required and voluntary
9 subscriptions of Exchangors utilized to fill requests on the Exchange Pool by
10 Exchanges shall be the dollar amount computed as follows by the Water Rights
11 Panel for each Administrative Year. The "normal" price as of the beginning of
12 the Administrative Year charged by Central Basin Municipal Water District
13 (CBMWD) for treated MWD (Metropolitan Water District of Southern
14 California) water used for domestic and municipal purposes shall be determined,
15 and if on that date there are any changes scheduled during that Administrative
16 Year in CBMWD's "normal" price for such category of water, the weighted daily
17 "normal" CBMWD price shall be determined and used in lieu of the beginning
18 such price; and there shall be deducted from such beginning or weighted price, as
19 the case may be, the "incremental cost of pumping water in Central Basin" at the
20 beginning of the Administrative Year and any then current rate or rates, of
21 assessments levied on the pumping of groundwater in Central Basin by Plaintiff
22 District and any other governmental agency. The "normal" price charged by
23 CBMWD shall be the highest price of CBMWD for normal service excluding any
24 surcharge or higher rate for emergency deliveries or otherwise failing to comply
25 with CBMWD rates and regulations relating to earlier deliveries. The
26 "incremental cost of pumping water in Central Basin" as of the beginning of the
27 Administrative Year shall be deemed to be the Southern California Edison
28 Company Schedule No. PA-1 rate per kilowatt-hour, including all adjustments

1 and all uniform authorized additions to the basic rate, multiplied by 560 kilowatt-
2 hours per acre-foot, rounded to the nearest dollar (which number of kilowatt-
3 hours has been determined to represent the average energy consumption to pump
4 an acre-foot of water in Central Basin). In applying said PA-1 rate the charge per
5 kilowatt-hour under the schedule shall be employed and if there are any rate
6 blocks then the last rate block shall be employed. Should a change occur in
7 Edison schedule designations, the Water Rights Panel shall employ that
8 applicable to motors used for pumping water by municipal utilities.

9 (11) Carry-over of Exchange Pool Purchases by Exchangees. An
10 Exchangee who does not extract from Central Basin in a particular Administrative
11 Year a quantity of water equal to the total of (a) its Allowed Pumping Allocation
12 for that particular Administrative Year, reduced by any authorized amount of
13 carryover into the next succeeding Administrative Year pursuant to the provisions
14 of Section III(A) of this Judgment, and (b) the quantity that it purchased from the
15 Exchange Pool for that particular Administrative Year, may carry over into the
16 next succeeding Administrative Year the right to extract from Central Basin a
17 quantity equal to the difference between said total and the quantity actually
18 extracted in that Administrative Year, but not exceeding the quantity purchased
19 from the Exchange Pool for that Administrative Year. Any such carryover shall
20 be in addition to that provided in said Section III(A).

21 If the "Basinwide Average Exchange Pool Price" in the next succeeding
22 Administrative Year exceeds the "Exchange Pool Price" in the previous
23 Administrative Year any such Exchangee exercising such carryover rights
24 hereinabove provided shall pay to the Watermaster, forthwith upon the
25 determination of the "Exchange Pool Price" in said succeeding Administrative
26 Year, and as a condition to such carryover rights, an additional amount
27 determined by multiplying the number of acre feet of carryover by the difference
28 in "Exchange Pool Price" as between the two Administrative Years. Such

1 additional payment shall be miscellaneous income to the Watermaster which shall
2 be applied by it against that share of the Watermaster's Administrative Body's
3 budget to be paid by the parties to this Agreement for the second Administrative
4 Year succeeding that in which the Exchange Pool water was so purchased. For
5 purposes of this paragraph, the term Basinwide Average Exchange Pool Price
6 means the average price per acre foot paid for Exchange Pool water produced
7 within the Central Basin during the year for which such determination is to be
8 made, taking into account all Exchange Pool transactions consummated during
9 that year.

10 (12) Notification by Watermaster to Exchangors and Exchangees of
11 Exchange Pool Requests and Allocations Thereof and Price of Exchange Pool
12 Water. Not later than the 65th day after the commencement of each
13 Administrative Year, the Administrative Body of Watermaster shall determine
14 and notify all Exchangors and Exchangees of the total of the allocated requests for
15 Exchange Pool water and shall provide a schedule divided into categories of
16 requests showing the quantity allocated to each Exchangee and a schedule of the
17 allocation of the total Exchange Pool requirements among the Exchangors. Such
18 notification shall also advise Exchangors and Exchangees of the prices to be paid
19 to Exchangors for subscriptions utilized and the Exchange Pool Price for that
20 Administrative Year as determined by the Water Rights Panel. The
21 determinations of the Watermaster in this regard shall be subject to review by the
22 Court in accordance with the procedure set forth in Part II of this Judgment.

23 (13) Payment by Exchangees. Each Exchangee shall, on or prior to last
24 day of the third month of each Administrative Year, pay to the Watermaster one-
25 quarter of said price per acre-foot multiplied by the number of acre feet of such
26 party's approved request and shall, on or before the last day of each of the next
27 succeeding three months, pay a like sum to the Watermaster. Such amounts must
28 be paid by each Exchangee regardless of whether or not it in fact extracts or uses

1 any of the water it has requested to purchase from the Exchange Pool.

2 (14) Payments to Exchangors. As soon as possible after receipt of
3 moneys from Exchangers, the Watermaster shall remit to the Exchangors their
4 pro rata portions of the amount so received in accordance with the provisions of
5 paragraph 10 above.

6 (15) Delinquent Payments. Any amounts not paid on or prior to any
7 due date above shall carry interest at the rate of 1% per month or any part of a
8 month. Any amounts required to be so paid may be enforced by the equitable
9 powers of the Court, including, but not limited to, the injunctive process of the
10 Court. In addition thereto, the Watermaster, as Trustee for the Exchangors and
11 acting through the Water Rights Panel, may enforce such payment by any
12 appropriate legal action, and shall be entitled to recover as additional damages
13 reasonable attorneys' fees incurred in connection therewith. If any Exchangee
14 shall fail to make any payments required of it on or before 30 days after the last
15 payment is due, including any accrued interest, said party shall thenceforward not
16 be entitled to purchase water from the Exchange Pool in any succeeding
17 Administrative Year except upon order of the Court, upon such conditions as the
18 Court may impose.

19
20 IV. PROVISIONS FOR THE STORAGE OF WATER AND THE EXTRACTION
21 OF STORED WATER.

22 A. Adjudication of Available Dewatered Space, Storage Capacity and
23 Storage Apportionment. There exists within the Basin a substantial amount of available
24 space which has not been optimally utilized for basin management and for storage of
25 native and imported waters. The Court finds and determines that (i) there is 330,000 acre
26 feet of Available Dewatered Space in the Basin; (ii) use of this Available Dewatered
27 Space will increase reasonable and beneficial use of the Basin by permitting the more
28 efficient procurement and management of Replenishment Water, conjunctive use, and for

1 direct and in-lieu recharge, thereby increasing the prudent storage and recovery of Stored
2 Water for later use by parties to this Judgment, conservation of water and reliability of
3 the water supply available to all Parties; and (iii) use of the Available Dewatered Space
4 pursuant to the terms and conditions of this Judgment will not result in Material Physical
5 Harm.

6 B. Avoidance of Material Physical Harm. It is essential that the use of the
7 Available Dewatered Space be undertaken for the greatest public benefit pursuant to
8 uniform, certain, and transparent regulation that encourages the conservation of water
9 and reliability of the water supply, avoids Material Physical Harm, and promotes the
10 reasonable and beneficial use of water. Accordingly, in the event Watermaster becomes
11 aware of the development of a Material Physical Harm, or imminent threat of the
12 development of a Material Physical Harm, relating to the use of the Available Dewatered
13 Space, Watermaster shall, within thirty (30) days thereafter, notice a hearing before the
14 Court and concurrently file a report with the Court, served on all parties, which shall
15 explain the relevant facts then known to Watermaster relating to the Material Physical
16 Harm, or imminent threat thereof, including without limitation, the location of the
17 occurrence, the source or cause, existing and potential physical impacts or consequences
18 of the identified or threatened material Physical Harm, and any recommendations to
19 remediate the identified or threatened Material Physical Harm.

20 C. Apportionment of Available Dewatered Space. To fairly balance the
21 needs of the divergent interests of parties having water rights in the Basin, on the one
22 hand, and the replenishment functions of WRD on the other hand, and in consideration of
23 the shared desire and public purpose of removing impediments to the voluntary
24 conservation, storage, exchange and transfer of water, all of the Available Dewatered
25 Space is hereby adjudicated and apportioned into complimentary classifications of Stored
26 Water and a Basin Operating Reserve as set forth in this Part IV. The apportionment
27 contemplates flexible administration of storage capacity where use is apportioned among
28 competing needs, while allowing all Available Dewatered Space to be used from time to

1 time on a “space available” basis, subject to the priorities specified in this Judgment, and
2 as further defined in Section IV(I) of this Judgment. The Court further finds and
3 determines that, of the Available Dewatered Space, there is 220,000 acre-feet of storage
4 capacity in the Central Basin which is presently available (“Adjudicated Storage
5 Capacity”). The use of Adjudicated Storage Capacity as provided in this Judgment will
6 not adversely affect the efficient operation of the Basin or the recharge of water
7 necessary for the production of the parties’ respective Allowed Pumping Allocations.
8 The apportionment of Adjudicated Storage Capacity as provided herein will allow for
9 flexible administration of groundwater storage within the Basin. The Adjudicated
10 Storage Capacity is hereby assigned to Individual Storage Allocations and Community
11 Storage as provided herein, provided however that if all space in a particular
12 classification is fully occupied then, on a “space available” basis, to available space
13 within the other classifications of Adjudicated Storage Capacity and, only then, to
14 available space within Basin Operating Reserve.

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

19 No storage of water shall occur in the Basin except in conformity with this
20 Judgment.

21 D. Individual Storage Allocation. Each Party having an adjudicated
22 groundwater extraction right hereunder shall have a priority right to store water in an
23 Individual Storage Account, through conversion of Carryover to Stored Water as
24 provided herein, or by any means authorized by this Judgment, up to a maximum of 50%
25 of such party’s Allowed Pumping Allocation. The cumulative quantity of Adjudicated
26 Storage Capacity subject to individual storage allocation is 108,750 acre-feet. In
27 recognition of prior importation of water which was introduced into the Basin as Stored
28 Water, and which has not yet been extracted, the Court finds and determines that, as of

1 the date of this Order, the following Parties have occupied a portion of their respective
2 Individual Storage Allocations and have all associated rights therein, as follows:

3	City of Long Beach:	13,076.8 acre-feet
4	City of Lakewood:	500 acre-feet
5	City of Downey:	500 acre-feet
6	City of Cerritos	500 acre-feet

7 E. Community Storage; Regional Disadvantaged Communities Incentive
8 Program. In addition to Individual Storage Allocation, a Party that has fully occupied its
9 Individual Storage allocation may, on a first in time, first in right basis (subject to the
10 limits expressed below) place water into storage in the "Community Storage Pool." The
11 cumulative quantity of Adjudicated Storage Capacity allocated to Community Storage
12 shall be 111,250 acre-feet. So long as there is available capacity in the Community
13 Storage Pool, any Party may store water in the Community Storage Pool through
14 conversion of Carryover to Stored Water as provided herein, or by any other means
15 authorized by this Judgment, provided such Party has first fully occupied that party's
16 available Individual Storage Allocation. Notwithstanding the foregoing, water stored
17 pursuant to the Regional Disadvantaged Communities Incentive Program shall have a
18 priority right to occupy up to 23,000 acre-feet within the Community Storage Pool, on
19 such terms as shall be determined as provided in this Judgment.

20 (1) Parties to this Judgment which, as of January 1, 2013, held
21 Allowed Pumping Allocation of not greater than 5,000 acre-feet shall have a
22 priority right to occupy, in the aggregate, up to 10,000 acre-feet of storage space
23 within the Central Basin Community Storage Pool, on the basis of first in time,
24 first in right. Any further storage in excess of the maximum quantity of
25 Community Storage will be on a "space-available" interim basis.

26 (2) From time to time, and on a "space-available" basis, the total
27 quantity of water available for storage is permitted to exceed Adjudicated Storage
28 Capacity for the Community Storage Pool on an interim basis. This interim

1 storage may occur if storage capacity exists as a result of unused Adjudicated
2 Storage Capacity within other classifications, or available space exists in the
3 Basin Operating Reserve. Such interim storage, however, is subject to priority
4 rights to such Dewatered Space as provided in this Judgment. A party that seeks
5 to convert the water temporarily held in interim storage to a more firm right, may
6 contract for the use of another party's Individual Storage Allocation, or may add
7 such water to the Community Storage Pool once space therein becomes available.

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

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

24 (5) Any quantity of water held in the Community Storage Pool for a
25 term greater than ten (10) consecutive years shall be assessed an annual water loss
26 equal to 5% of the lowest quantity of water held within the party's Community
27 Storage Pool account at any time during the immediately preceding ten-year
28 period. The lowest quantity means the smallest amount of water held by the Party

1 in the Community Storage Pool during any of the preceding ten (10) years, with a
2 new loss calculation being undertaken every year. Water subject to the loss
3 assessment will be deemed dedicated to the Basin Operating Reserve in
4 furtherance of the physical solution without compensation. Water lost to the
5 Basin shall constitute water replenished into the Central Basin for the benefit of
6 all parties

7 F. Limit on Storage. Irrespective of the category of storage utilized, each
8 party to this Judgment may not cumulatively have in storage at any time Stored Water
9 totaling more than two hundred percent (200%) of that party's Allowed Pumping
10 Allocation. Subject to the foregoing, the right to produce Stored Water may be freely
11 transferred to another party to this Judgment, or as otherwise permitted herein.

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

23 H. Storage Procedure. The Administrative Body shall (i) prescribe forms and
24 procedures for the orderly reporting of Stored Water, (ii) maintain records of all water
25 stored in the Basin, and (iii) undertake monitoring and modeling of Stored Water as may
26 be reasonably required. As to any Storage Projects that will require review and approval
27 by the Storage Panel, the Administrative Body shall provide appropriate applications,
28 and shall work with project applicants to complete the application documents for

1 presentation to the Storage Panel. The Administrative Body shall be responsible for
2 conducting any groundwater modeling necessary to evaluate a proposed Storage Project.
3 The proponent of a proposed project will bear all costs associated with the review of the
4 application for approval of the project and all costs associated with its implementation.
5 Nothing in this Judgment shall alter the applicant(s) duty to comply with CEQA or to
6 meet other legal requirements as to any proposed Storage Project. Within thirty (30)
7 days after final submission of the storage application documents, the Administrative
8 Body shall provide notice of the storage application (either by electronic mail or U.S.
9 postal mail), together with a copy of the application documents, to all parties possessing
10 an Allowed Pumping Allocation, and to any other person requesting notice thereof.
11 Following notice, any necessary hearings before the Storage Panel shall be conducted as
12 provided in Section IV(O) of this Judgment.

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

27 J. Limits on Extraction. Anything in this Judgment to the contrary
28 notwithstanding, no party shall extract greater than 140% of the sum of (i) the party's

1 Allowed Pumping Allocation and (ii) the party's leased water, except upon prior
2 approval by the Water Rights Panel. For this purpose, a party's total extraction right for
3 a particular year shall include that party's Allowed Pumping Allocation and any
4 contractual right through lease or other means to utilize the adjudicated rights of another
5 party. Where such proposed extraction would occur within the Central Basin Pressure
6 Area as defined by Watermaster consistent with historical records, the Water Rights
7 Panel shall submit such request for review by the Board of WRD. The Water Rights
8 Panel shall not approve any request for over-extraction within the Pressure Area without
9 a written finding by the Board of WRD that such over-extraction will not cause Material
10 Physical Harm. The role of the Board of WRD in this process shall not be read to
11 expand or restrict WRD's statutory authority. Consideration shall be on an expedited
12 basis.

13 K. Increased Extractions in the Central Basin for Certain Water Purveyors
14 With Stored Water in West Coast Basin. Subject to the limitations set forth in this
15 Subsection, each of the Water Purveyors listed below, which each have water rights in
16 both the Central Basin and the West Coast Basin, and who provide water service to
17 customers in the Central Basin, may increase their annual allowable extraction in the
18 Central Basin in a single Administrative Year equivalent to its Stored Water in the West
19 Coast Basin, upon the conditions set forth in this Section.

20 (1) Increased extraction pursuant to this Section is limited to 5,000
21 acre-feet per Water Purveyor in each Administrative Year.

22 (2) The total amount of increased extraction pursuant to this Section
23 shall not exceed 12,000 acre-feet cumulatively for all Water Purveyors in each
24 Administrative Year.

25 (3) The Water Purveyor is one of the following eligible parties:

- 26 (a) California Water Service Co.
- 27 (b) City of Long Beach
- 28 (c) City of Los Angeles

1 (d) Golden State Water Co.

2 (4) The Water Purveyor will not extract its full Adjudicated Right in
3 the West Coast Basin;

4 (5) The increased extraction shall not exceed the Water Purveyor's
5 unused Adjudicated Right in the West Coast Basin;

6 (6) Any increased extraction pursuant to this Section is subject to the
7 Material Physical Harm provisions of this Judgment. Nothing herein permits
8 extraction of water within the Central Basin in excess of 140% of Allowed
9 Pumping Allocation, except as otherwise permitted under this Judgment. Any
10 increased extraction pursuant to this Section shall be deemed to be extracted first,
11 before any APA or leased water.

12 (7) Replenishment of Increased Extraction. The Increased Extraction
13 is made available only to the Water Purveyors identified herein in recognition of
14 their management of resources to serve communities overlying both the Central
15 Basin and the West Basin. It is not made, nor is it related, to a determination of
16 an underflow between the basins, a cost or benefit allocation, or any other factor
17 relating to the allocation of the Replenishment Assessment. Replenishment of the
18 increased extraction permitted under this subsection shall occur exclusively
19 within the Central Basin, from which the extraction occurs.

20 L. Basin Operating Reserve. It is in the public interest and in furtherance of
21 the physical solution for WRD to prudently exercise its statutory discretion to purchase,
22 spread, and inject Replenishment Water, to provide for in-lieu replenishment, and
23 otherwise to fulfill its replenishment function within the Basin as provided in Water
24 Code Section 60000 et. seq. Hydrologic, regulatory and economic conditions now
25 prevailing within the State require that WRD be authorized to exercise reasonable
26 discretion and have flexibility in the accomplishment of its replenishment function.
27 Accordingly, WRD may pre-purchase or defer the purchase of Replenishment Water, and
28 may otherwise purchase and manage available sources of Replenishment Water under the

1 most favorable climatic and economic conditions as it may determine reasonable and
2 prudent under the circumstances. It is the intent of the parties to preserve space for such
3 replenishment activities, including capture of natural inflows during wet years, recapture
4 of water when possible, and artificial replenishment when water is available at
5 discounted rate, for the benefit of the Basin and the parties to the Judgment. The Basin
6 Operating Reserve is intended to allow WRD to meet its replenishment needs to make
7 full APA available for extraction by all water rights holders. Accordingly, WRD shall
8 have a priority right to occupy up to 110,000 acre-feet of the Available Dewatered Space
9 as the "Basin Operating Reserve" for the acquisition and replenishment of water, or to
10 ensure space remains available in the Basin to capture natural inflows during wet years
11 for the benefit of the parties to the Judgment, to offset over-production. The priority
12 right is not intended to allow WRD to sell or lease stored water, storage, or water rights. To
13 the extent WRD does not require the use of all of such Basin Operating Reserve, that
14 portion of the Basin Operating Reserve that is not then being used shall be available to
15 other Parties to store water on a temporary and space-available basis. No Party may use
16 any portion of the Basin Operating Reserve for space-available storage unless that Party
17 has already maximized its allowed Storage pursuant to its Individual Storage Allocation
18 and all available Community Storage is already in use. WRD's failure to use any portion
19 of its Basin Operating Reserve shall not cause forfeiture or create a limitation of its right
20 to make use of the designated space in the future. WRD's first priority right to this
21 category of space shall be absolute. To the extent that there is a conflict between WRD
22 and a third party regarding the availability of and desire to use any portion of the space
23 available for replenishment up to the maximum limits set forth in this section, the
24 interests of WRD will prevail. If a party other than WRD is using the Basin Operating
25 Reserve space on a "space available" basis and a conflict develops between WRD and
26 the storing party, the storing party will, upon notice from WRD, evacuate the Stored
27 Water within ninety (90) days thereafter. In such event, temporary occupancy within the
28 Basin Operating Reserve shall be first in time, first in right, and the last Party to store

1 water shall be required to evacuate first until adequate space shall be made available
2 within the Basin Operating Reserve to meet WRD's needs. The storing party or parties
3 assume all risks of waste, spill and loss regardless of the hardship. Stored Water that is
4 not evacuated following WRD's notice of intent to occupy the Basin Operating Reserve
5 will be deemed dedicated to the Basin Operating Reserve in furtherance of the physical
6 solution without compensation and accounted for accordingly. Nothing herein shall
7 permit WRD to limit or encumber, by contract or otherwise, its right to use the Basin
8 Operating Reserve for Replenishment purposes for any reason, or to make space therein
9 available to any person by any means. Notwithstanding the foregoing, to the extent
10 excess space is available, water evacuated from the Basin Operating Reserve as provided
11 in this Section shall be deemed added to available space within the Individual Storage
12 Allocations and Community Storage Pool, subject to the priority rights otherwise
13 provided in this Judgment.

14 M. Water Augmentation. The parties, in coordination with WRD, may
15 undertake projects that add to the long-term reliable yield of the Basin. Innovations and
16 improvements in practices that increase the conservation and maximization of the
17 reasonable and beneficial use of water should be promoted. To the extent that Parties to
18 the Judgment, in coordination with WRD, implement a project that provides additional
19 long-term reliable water supply to the Central Basin, the annual extraction rights in the
20 Central Basin will be increased commensurately in an amount to be determined by the
21 Storage Panel to reflect the actual yield enhancement associated with the project.
22 Augmented supplies of water resulting from such a project may be extracted or stored as
23 permitted in this Judgment in the same manner as other water. Participation in any
24 Water Rights Augmentation Project shall be voluntary. A party may elect to treat a
25 proposed project as a Water Augmentation Project (for the purpose of seeking an
26 increase in that party's Allowed Pumping Allocation) or may elect to treat such a project
27 as a Storage Project under the other provisions of this Judgment. The terms of
28 participation in any Water Augmentation Project will be at the full discretion of the

1 participating parties. All Water Augmentation Projects will be approved by the Storage
2 Panel.

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

19 (2) Determination of Additional Extraction Rights. The amount of
20 additional groundwater extraction as a result of a Water Augmentation project
21 will be determined by the Storage Panel, subject to review by the Court. The
22 determination will be based upon substantial evidence which supports the finding
23 that the Water Augmentation project will increase the long-term sustainable yield
24 of the respective Basin by an amount at least equal to the proposed increase in
25 extraction rights.

26 (3) Increase in Extraction Rights. A party that elects to participate and
27 pays that party’s full pro-rata share of costs associated with any Water
28 Augmentation Project and/or reaches an agreement with other participants based

1 upon other valuable consideration acceptable to the Project Leads and Project
2 Participants, will receive a commensurate increase in extraction rights. Non-
3 participating parties will not receive an increase or a decrease in extraction rights.
4 Any party that elects not to participate will not be required to pay any of the costs
5 attributable to the particular Water Augmentation Project, whether directly or
6 indirectly as a component of the WRD Replenishment Assessment.

7 (4) Because water made available for Water Rights Augmentation will
8 be produced annually, fluctuations in groundwater levels will be temporary,
9 nominal and managed within the Basin Operating Reserve.

10 (5) Availability of New Water. The amount of additional groundwater
11 extraction established as a result of a Water Augmentation Project shall be equal
12 to the quantity of new water in the Basin that is attributable to that Water
13 Augmentation Project. No extraction shall occur and no extraction right shall be
14 established until new water has been actually introduced into the Basin as a result
15 of the Project. Any approval for a Water Augmentation Project shall include
16 provisions (a) requiring regular monitoring to determine the actual amount of
17 such new water made available, (b) requiring make-up water or equivalent
18 payment therefor to the extent that actual water supply augmentation does not
19 meet projections, and (c) adjusting extraction rights attributable to the Water
20 Augmentation Project to match the actual water created. The right to extract
21 augmented water from the Basin resulting from a party's participation in a Water
22 Augmentation Project shall be accounted for separately and shall not be added to
23 a party's Allowed Pumping Allocation. No Replenishment Assessment shall be
24 levied against the extraction of augmented water.

25 (6) Limitation. Notwithstanding the foregoing, WRD will not obtain
26 any water rights or extraction rights under this Judgment by virtue of its
27 participation in a Water Augmentation Project. If WRD participates in a Water
28 Rights Augmentation Project through funding or other investments, its allocation

1 of new water from the project shall be used to offset its replenishment
2 responsibilities.

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

23 O. Hearing Process For Watermaster Review. The following procedures
24 shall be followed by Watermaster where Watermaster review of storage or extraction of
25 Stored Water is required or permitted under this Judgment:

26 (1) No later than thirty (30) days after notice has been issued for the
27 storage application, the matter shall be set for hearings before the Storage Panel.

28 A staff report shall be submitted by WRD staff in conjunction with the completed

1 storage application documents and the Water Rights Panel may prepare an
2 independent staff report, if it elects to do so.

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

6 (3) All Watermaster meetings shall be conducted in the manner
7 prescribed by the applicable Rules and Regulations. The Rules shall provide that
8 all meetings of Watermaster shall be open to water rights holders and that
9 reasonable notice shall be given of all meetings.

10 (4) The Board of WRD and the Water Rights Panel shall each adopt
11 written findings explaining its decision on the proposed Storage Project, although
12 if both entities reach the same decision on the Storage Project, they shall work
13 together to adopt a uniform set of findings.

14 (5) Unless both the Board of WRD and the Water Rights Panel
15 approve the Storage Project, the Storage Project application shall be deemed
16 denied (a "Project Denial"). If both the Board of WRD and the Water Rights
17 Panel approve the Storage Project, the Storage Project shall be deemed approved
18 (a "Project Approval").

19 P. Trial Court Review

20 (1) The applicant may seek the Storage Panel's reconsideration of a
21 Project Denial. However, there shall be no process for mandatory reconsideration
22 or mediation of a Project Approval or a Project Denial either before the
23 Administrative Body, or before the Water Rights Panel.

24 (2) Any Party may file an appeal from a Project Approval or Project
25 Denial with this Court, as further described in Section II(F).

26 (3) In order to (a) promote the full presentation of all relevant
27 evidence before the Storage Panel in connection with its consideration of any
28 proposed Storage Project, (b) achieve an expeditious resolution of any appeal to

1 the Court, and (c) accord the appropriate amount of deference to the expertise of
2 the Storage Panel, the appeal before the Court shall be based solely on the
3 administrative record, subject only to the limited exception in California Code of
4 Civil Procedure section 1094.5(e).

5 (4) If both the WRD Board and the Water Rights Panel each vote to
6 deny or approve a proposed Storage Project, it shall be an action by the Storage
7 Panel and that decision shall be accorded by the Court deference according to the
8 substantial evidence test. If one of the reviewing bodies votes to approve the
9 proposed Storage Project and the other reviewing body votes to deny the proposed
10 storage project, then the Court's review shall be *de novo*, although still restricted
11 to the administrative record. In the case of any *de novo* Trial Court review, the
12 findings made by the respective Watermaster bodies shall not be accorded any
13 weight independent of the evidence supporting them.

14 Q. Space Available Storage, Relative Priority, and Dedication of "Spilled"
15 Water. To balance the need to protect priority uses of storage and to encourage the full
16 utilization of Available Dewatered Space within the Adjudicated Storage Capacity and
17 the Basin Operating Reserve, any Party may make interim, temporary use of then
18 currently unused Available Dewatered Space within any category of Adjudicated Storage
19 Capacity, and then if all Adjudicated Storage Capacity is being fully used for Stored
20 Water within the Basin Operating Reserve ("Space-Available Storage"), subject to the
21 following criteria:

22 (1) Any Party may engage in Space-Available Storage without prior
23 approval from Watermaster provided that the storing Party or Parties shall assume
24 all risks of waste, spill, and loss regardless of the hardship. Whenever
25 Watermaster determines that a Party is making use of excess Available Dewatered
26 Space for Space-Available Storage, Watermaster shall issue written notice to the
27 Party informing them of the risk of spill and loss.

28 (2) Whenever the Available Dewatered Space is needed to

1 accommodate the priority use within a respective category of Adjudicated Storage
2 Capacity, or WRD seeks to make use of its priority right to the Basin Operating
3 Reserve to fulfill its replenishment function, the Watermaster shall issue a notice
4 to evacuate the respective category of Adjudicated Storage Capacity or Basin
5 Operating Reserve, as applicable, within the time-periods set forth within this
6 Amended Judgment. To the extent the Stored Water is not timely evacuated such
7 Stored Water will be placed into any other excess Available Dewatered Space,
8 first within the Adjudicated Storage Capacity, if available, and then if all
9 Adjudicated Storage Capacity is being fully used for Stored Water within the
10 Basin Operating Reserve. If no excess Available Dewatered Space is available
11 within the Basin Operating Reserve, then the Stored Water shall be deemed
12 spilled and will be deemed dedicated to the Basin Operating Reserve in
13 furtherance of the physical solution without compensation and accounted for
14 accordingly. A Party that seeks to convert the Stored Water temporarily held in
15 interim storage as Space-Available Storage to a more firm right, may in its
16 discretion, contract for the use of another Party's Individual Storage Allocation,
17 or may add such water to the Community Storage Pool once space therein
18 becomes available.

19 (3) No Stored Water will be deemed physically lost unless the
20 cumulative quantity of water held as Stored Water plus the quantity of water held
21 in the Basin Operating Reserve exceeds 330,000 (three hundred and thirty
22 thousand) acre-feet in the Central Basin.

23
24 V. CONTINUING JURISDICTION OF THE COURT.

25 The Court hereby reserves continuing jurisdiction and upon application of any interested
26 party, or upon its own motion, may review and redetermine the following matters and any
27 matters incident thereto:

28 A. Its determination of the permissible level of extractions from Central

1 Basin in relation to achieving a balanced basin and an economic utilization of Central
2 Basin for groundwater storage, taking into account any then anticipated artificial
3 replenishment of Central Basin by governmental agencies for the purpose of alleviating
4 what would otherwise be annual overdrafts upon Central Basin and all other relevant
5 factors.

6 B. Whether in accordance with applicable law any party has lost all or any
7 portion of his rights to extract groundwater from Central Basin and, if so, to ratably
8 adjust the Allowed Pumping Allocations of the other parties and ratably thereto any
9 remaining Allowed Pumping Allocation of such party.

10 C. To remove any Watermaster or constituent body appointed from time to
11 time and appoint a new Watermaster; and to review and revise the duties, powers and
12 responsibilities of the Watermaster or its constituent bodies and to make such other and
13 further provisions and orders of the Court that may be necessary or desirable for the
14 adequate administration and enforcement of the Judgment.

15 D. To revise the price to be paid by Exchangees and to Exchangors for
16 Exchange Pool purchases and subscriptions.

17 E. In case of emergency or necessity, to permit extractions from Central
18 Basin for such periods as the Court may determine: (i) ratably in excess of the Allowed
19 Pumping Allocations of the parties; or (ii) on a non-ratable basis by certain parties if
20 either compensation or other equitable adjustment for the benefit of the other parties is
21 provided. Such overextractions may be permitted not only for emergency and necessity
22 arising within Central Basin area, but to assist the remainder of the areas within The
23 Metropolitan Water District of Southern California in the event of temporary shortage or
24 threatened temporary shortage of its imported water supply, or temporary inability to
25 deliver the same throughout its area, but only if the court is reasonably satisfied that no
26 party will be irreparably damaged thereby. Increased energy cost for pumping shall not
27 be deemed irreparable damage. Provided, however, that the provisions of this
28 subparagraph will apply only if the temporary shortage, threatened temporary shortage,

1 or temporary inability to deliver was either not reasonably avoidable by the Metropolitan
2 Water District, or if reasonably avoidable, good reason existed for not taking the steps
3 necessary to avoid it.

4 F. To review actions of the Watermaster.

5 G. To assist the remainder of the areas within The Metropolitan Water
6 District of Southern California within the parameter set forth in subparagraph (e) above.

7 H. To provide for such other matters as are not contemplated by the Judgment
8 and which might occur in the future, and which if not provided for would defeat any or
9 all of the purposes of this Judgment to assure a balanced Central Basin subject to the
10 requirements of Central Basin Area for water required for its needs, growth and
11 development.

12 The exercise of such continuing jurisdiction shall be after 30 days' notice to the parties,
13 with the exception of the exercise of such continuing jurisdiction in relation to subparagraphs E
14 and G above, which may be *ex parte*, in which event the matter shall be forthwith reviewed
15 either upon the Court's own motion or the motion of any party upon which 30 days' notice shall
16 be so given. Within ten (10) days of obtaining any *ex parte* order, the party so obtaining the
17 same shall mail notice thereof to the other parties. If any other party desires Court review
18 thereof, the party obtaining the *ex parte* order shall bear the reasonable expenses of mailing
19 notice of the proceedings, or may in lieu thereof undertake the mailing. Any contrary or
20 modified decision upon such review shall not prejudice any party who relied on said *ex parte*
21 order.

22
23 VI. GENERAL PROVISIONS.

24 A. Judgment Constitutes Inter Se Adjudication. This Judgment constitutes an
25 inter se adjudication of the respective rights of all parties, except as may be otherwise
26 specifically indicated in the listing of the water rights of the parties of this Judgment, or
27 in Appendix "2" hereof. All parties to this Judgment retain all rights not specifically
28 determined herein, including any right, by common law or otherwise, to seek

1 compensation for damages arising out of any act or omission of any person. This
2 Judgment constitutes a “court order” within the meaning of Water Code Section
3 71610(B)(2)(b).

4 B. Assignment, Transfer, Etc., of Rights. Subject to the other provision of
5 this Judgment, and any rules and regulations of the Watermaster requiring reports
6 relative thereto, nothing herein contained shall be deemed to prevent any party hereto
7 from assigning, transferring, licensing or leasing all or any portion of such water rights as
8 it may have with the same force and effect as would otherwise be permissible under
9 applicable rules of law as exist from time to time.

10 C. Service Upon and Delivery to Parties of Various Papers. Service of the
11 Judgment on those parties who have executed that certain Stipulation and Agreement for
12 Judgment or who have filed a notice of election to be bound by the Exchange Pool
13 provisions shall be made by first class mail, postage prepaid, addressed to the designee
14 and at the address designated for that purpose in the executed and filed Counterpart of
15 the Stipulation and Agreement for Judgment or in the executed and filed “Notice of
16 Election to be Bound by Exchange Pool Provisions,” as the case may be, or in any
17 substitute designation filed with the Court.

18 Each party who has not heretofore made such a designation shall, within 30 days
19 after the Judgment shall have been served upon that party, file with the Court, with proof
20 of service of a copy upon the Watermaster, a written designation of the person to whom
21 and the address at which all future notices, determinations, requests, demands, objections,
22 reports and other papers and processes to be served upon that party or delivered to that
23 party are to be so served or delivered.

24 A later substitute designation filed and served in the same manner by any party
25 shall be effective from the date of filing as to the then future notices, determinations,
26 requests, demands, objections, reports and other papers and processes to be served upon
27 or delivered to that party.

28 Delivery to or service upon any party by the Watermaster, by any other party, or

1 by the Court, or any item required to be served upon or delivered to a party under or
2 pursuant to the Judgment may be by deposit in the mail, first class, postage prepaid,
3 addressed to the designee and at the address in the latest designation filed by that party.

4 D. Judgment Does Not Affect Rights, Powers, Etc., of Plaintiff District.

5 Nothing herein constitutes a determination or adjudication which shall foreclose Plaintiff
6 District from exercising such rights, powers, privileges and prerogatives as it may now
7 have or may hereafter have by reason of provisions of law.

8 E. Continuation of Order under Interim Agreement. The order of Court made

9 pursuant to the "Stipulation and Interim Agreement and Petition for Order" shall remain
10 in effect through the water year in which this Judgment shall become final (subject to the
11 reserved jurisdiction of the Court).

12 F. Effect of Extractions by Exchangees; Reductions in Extractions. With

13 regard to Exchange Pool purchases, the first extractions by each Exchangee shall be
14 deemed the extractions of the quantities of water which that party is entitled to extract
15 pursuant to his allocation from the Exchange Pool for that Administrative Year. Each
16 Exchangee shall be deemed to have pumped his Exchange Pool request so allocated for
17 and on behalf of each Exchangor in proportion to each Exchangor's subscription to the
18 Exchange Pool which is utilized to meet Exchange Pool requests. No Exchangor shall
19 ever be deemed to have relinquished or lost any of its rights determined in this Judgment
20 by reason of allocated subscriptions to the Exchange Pool. Each Exchangee shall be
21 responsible as between Exchangors and that Exchangee, for any tax or assessment upon
22 the production of groundwater levied for replenishment purposes by WRD or by any
23 other governmental agency with respect to water extracted by such Exchangee by reason
24 of Exchange Pool allocations and purchases. No Exchangor or Exchangee shall acquire
25 any additional rights, with respect to any party to this action, to extract waters from
26 Central Basin pursuant to Water Code Section 1005.1 by reason of the obligations
27 pursuant to and the operation of the Exchange Pool.

28 G. Judgment Binding on Successors, Etc. This Judgment and all provisions

1 thereof are applicable to and binding upon not only the parties to this action, but as well
2 to their respective heirs, executors, administrators, successors, assigns, lessees, licensees
3 and to the agents, employees and attorneys in fact of any such persons.

4 H. Costs. No party shall recover its costs herein as against any other party.

5 I. Intervention of Successors in Interest and New Parties. Any person who is
6 not a party (including but not limited to successors or parties who are bound by this
7 Judgment) and who proposes to produce water from the Basin, store water in the Basin,
8 or exercise water rights of a predecessor may seek to become a party to this Judgment
9 through a Stipulation in Intervention entered into with the Plaintiff. Plaintiff may
10 execute said Stipulation on behalf of the other parties herein, but such Stipulation shall
11 not preclude a party from opposing such intervention at the time of the court hearing
12 thereon. Said Stipulation for Intervention must thereupon be filed with the Court, which
13 will consider an order confirming said intervention following thirty (30) days' notice to
14 the parties. Thereafter, if approved by the Court, such intervenor shall be a party bound
15 by this Judgment and entitled to the rights and privileges accorded under the physical
16 solution herein.

17 J. Effect of this Amended Judgment on Orders Filed Herein. This Third
18 Amended Judgment shall not abrogate such rights of additional carryover of unused
19 water rights as may otherwise exist pursuant to orders herein filed June 2, 1977 and
20 September 29, 1977.

21
22 THE CLERK WILL ENTER THIS THIRD AMENDED JUDGMENT FORTHWITH.

23
24 DATED: _____
25

26
27 _____
28 Judge of the Superior Court

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

APPENDIX 1
Description of Central Basin Area

APPENDIX B

Comment [BK1]: Update this to reflect 2012 water rights

Name ²	Total Water Right	Allowed Pumping Allocation
ABC Unified School District	372.50	298.00
Angeles Abbey Memorial Park, Inc.	5.00	4.00
Aqua Capital Management LP	3,113.75	2,491.00
Arco Metals Co. American Brass	0	0
Artesia Cemetery District	15.00	12.00
Artesia, City of	30.00	24.00
Arzouman, Charles & Neuart	1.25	1.00
Ashland Chemical Co.	0	0
Atkinson Brick Co.	11.25	9.00
Atlantic Richfield Co.	68.75	55.00
Automobile Club of Southern California	7.50	6.00
Baker Commodities, Inc.	75.00	60.00
Bell Gardens, City of	2,392.50	1,914.00
Bellflower, City of	1,710.00	1,368.00
Bellflower Home Garden Water Co.	382.50	306.00
Bellflower Unified School District	111.25	89.00
Bellflower-Somerset Mutual Water Co.	5,391.10	4,312.88
Buell, Mary Dolores	1.25	1.00
California-American Water Co.	2,583.75	2,067.00
California, State of	62.50	50.00
California Water Service Co.	14,717.50	11,774.00

²Parties and Rights as of June 30, 2008

1	California Water Service Co. (Dominguez)	8,100.00	6,480.00
2		Total	Allowed
3	<u>Name</u> ³	<u>Right</u>	<u>Allocation</u>
4	Candlewood Country Club	183.75	147.00
5	Cerritos, City of	5,850.04	4,680.03
6	Cerritos Community College District	183.75	147.00
7	Chang, I-Hsin and Associates	1.25	1.00
8	Chevron USA, Inc.	117.50	94.00
9	CMPC Transition Corporation	1.25	1.00
10	Coast Packing Co.	662.50	530.00
11	Commerce, City of	6,351.25	5,081.00
12	Compton, City of	7,225.00	5,780.00
13	Compton Unified School District	47.50	38.00
14	Crandell, F. J.	1.25	1.00
15	Darling-Delaware Co., Inc.	146.25	117.00
16	Dolan, JE + Dolan, PA + Dolan, TP	2.50	2.00
17	Downey, City of	20,692.03	16,553.62
18	El Rancho Unified School District	68.75	55.00
19	Emoto, John H.	2.5	2.00
20	Equilon Enterprises, LLC	7.5	6.00
21	Exide Technologies	77.50	62.00
22	Farmers & Merchants Trust Co of LB	17.50	14.00
23	Flesch, Elizabeth, et al.	17.50	14.00
24	Ford Motor Co.	5.63	4.50
25	Frampton, Harvey	12.50	10.00
26			

³Parties and Rights as of June 30, 2008

1	Frampton, William H.	31.25	25.00
2		Total	Allowed
3	<u>Name</u> ⁴	<u>Right</u>	<u>Allocation</u>
4	Frances, Carol Jeanne	10.00	8.00
5	Golden State Water Company	20,549.00	16,439.20
6	Gordon, Robert E.	5.00	4.00
7	Graham, Hugh W. or Marcia K., Trustees	7.50	6.00
8	Harada Brothers	7.50	6.00
9	Hathaway, John J.	0	0
10	Hathaway Family QTIP Trust	13.89	11.11
11	Hathaway Family Survivor's Trust	13.89	11.11
12	Huntington Park, City of	4,816.25	3,853.00
13	Inglewood Park Cemetery	396.25	317.00
14	Jones Co., The	87.50	70.00
15	Kal Kan Foods, Inc.	175.00	140.00
16	King Kelly Marmalade Co., Inc.	27.50	22.00
17	Kotake, Masao	34.96	27.97
18	La Habra Heights County Water District	3,132.50	2,506.00
19	Lakewood, City of	11,778.75	9,423.00
20	Lincoln Memorial Park, Inc.	42.50	34.00
21	Little Lake Cemetery District	17.50	14.00
22	Long Beach, City of	40,855.00	32,684.00
23	Los Angeles, City of	18,750.00	15,000.00
24	Los Angeles County Rancho Los Amigos	612.50	490.00
25	Lunday-Thagard Oil Co.	265.00	212.00
26			

⁴Parties and Rights as of June 30, 2008

1	Lussman, Paul H. Jr., et al	8.75	7.00
2		Total	Allowed
3	<u>Name</u> ⁵	<u>Right</u>	<u>Pumping</u>
4	Lynwood, City of	6,671.25	5,337.00
5	Lynwood Park Mutual Water Co.	277.50	222.00
6	McLaren, Velma and Arline K. Nuzum	11.25	9.00
7	Martin, Mary	35.00	28.00
8	Maywood Mutual Water Co. No. 1	926.25	741.00
9	Maywood Mutual Water Co. No. 2	1,140.00	912.00
10	Maywood Mutual Water Co. No. 3	1,758.75	1,407.00
11	Mellano, G. et al	16.25	13.00
12	Mitsuuchi, Mary F. Trust	13.75	11.00
13	Montebello, City of	483.13	386.50
14	Montebello Land and Water Co.	2,030.00	1,624.00
15	New England Mutual Life Insurance Co.	2.50	2.00
16	The Newark Group, Inc.	696.25	557.00
17	Northrop Grumman Systems Corporation	5.63	4.50
18	Norwalk, City of	2,153.75	1,723.00
19	Norwalk-La Mirada Unified School District	472.50	378.00
20	O N K Farms	10.00	8.00
21	Oltmans Construction Co.	3.75	3.00
22	Orange County Nursery, Inc.	16.25	13.00
23	Orchard Dale Water District	1,383.75	1,107.00
24	PABCO Building Products, LLC	1,000.00	800.00
25	Paradise Memorial Park	20.00	16.00
26	_____		

⁵Parties and Rights as of June 30, 2008

1	Paramount, City of	7,353.75	5,883.00
2		Total	Allowed
3	<u>Name</u> ⁶	<u>Right</u>	<u>Allocation</u>
4	Paramount Unified School District	57.50	46.00
5	Park Water Co.	2.88	2.30
6	Patrician Associates, Inc./Majestic Realty Co.	15.00	12.00
7	Pico Boys Baseball, Inc.	16.25	13.00
8	Pico Rivera, City of	6,973.75	5,579.00
9	Pico Water District	4,530.00	3,624.00
10	Randall, Villis Family Trust	5.00	4.00
11	Rockview Dairies, Inc.	126.25	101.00
12	Rocky Mountain Industries, Inc.	0	0
13	Roman Catholic Archbishop of Los Angeles	433.75	347.00
14	Rosales, Elvira C.	3.75	3.00
15	Rosing, L S Trust and P Schwartz	7.50	6.00
16	St. John Bosco School	52.50	42.00
17	San Gabriel Valley Water Co.	3,270.00	2,616.00
18	Santa Fe Springs, City of	5,043.75	4,035.78
19	Sativa - Los Angeles County Water District	592.50	474.00
20	Scantlebury, Robert P.	5.00	4.00
21	Seven Up/RC Bottling Co. of So. California	86.25	69.00
22	Signal Hill, City of	2,527.50	2,022.00
23	Simmons Survivor's Trust	41.25	33.00
24	Smurfit-Stone Container Enterprises, Inc.	0	0
25	South Montebello Irrigation District	1,585.00	1,268.00
26	_____		

27 ⁶Parties and Rights as of June 30, 2008

28

1	Southern California Edison Co.	837.50	670.00
2		Total	Allowed
3	<u>Name</u> ⁷	<u>Right</u>	<u>Allocation</u>
4	Southern Service Co. & Environmentals, Inc.	81.25	65.00
5	South Gate, City of	13,978.75	11,183.00
6	Statewide Stations	1.25	1.00
7	Suburban Water Systems	4,651.25	3,721.00
8	Tract No. One Hundred & Eighty Water Co.	2,671.25	2,137.00
9	Tract 349 Mutual Water Co.	528.75	423.00
10	Tucker, W and/or Bobby Robertson	10.00	8.00
11	Union Development Co., Inc.	15.00	12.00
12	United States Gypsum Co.	1,581.25	1,265.00
13	Valley Christian Schools	0	0
14	Vangrootheest, Ernest A.	12.50	10.00
15	Vernon, City of	10,048.75	8,039.00
16	Vernon Cold Storage, LLC	92.50	74.00
17	Virginia Country Club	342.50	274.00
18	Walnut Park Mutual Water Co.	1,245.00	996.00
19	WEMS, Inc.	10.00	8.00
20	Whittier, City of	1,118.75	895.00
21	Whittier Union High School District	125.00	100.00
22	Wolfsberger, Helen and Christine Joseph	2.50	2.00
23	Yamamoto, George and Alice	17.50	14.00
24	Zane, Steve or Frances	14.38	11.50
25			
26			
27	⁷ Parties and Rights as of June 30, 2008		
28			

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

Appendix 3

CENTRAL BASIN SMALL WATER PRODUCERS GROUP

The following parties to the Central Basin Judgment shall be eligible to participate in the Small Water Producers Group provided they otherwise meet the criteria set forth in the Judgment:

- Bellflower-Somerset Mutual Water Company
- La Habra Heights County Water District
- Montebello Land and Water Company
- City of Norwalk
- Orchard Dale Water District
- Pico Water District
- Sativa -- Los Angeles County Water District
- South Montebello Irrigation District

Membership in the Small Water Producers Group may be modified from time to time by affirmative vote of the then-current composition of said Group, provided that each member thereof shall hold no greater than 5,000 acre-feet of Allowed Pumping Allocation.

Appendix 4

PERMITTED EXISTING EXPORTS

The Agreement among Rowland Water District, on the one hand, and La Habra Heights County Water District and Orchard Dale Water District, on the other hand, allowing for maximum production of 2,500 acre-feet per year.

The Agreement between Puente Basin Water Agency and California Domestic Water Company, allowing for maximum production of 2,500 acre-feet per year.



NEW BUSINESS

Resolution SA-2013-011 – Approving the Successor Agency’s Recognized Obligation Payment Schedule (ROPS 13-14B) for the Period January 1, 2014 through June 30, 2014

RECOMMENDATION

That the Successor Agency adopt Resolution No. SA-2013-011.

BACKGROUND

State legislation, ABX1 26 and AB 1484, created Successor Agencies which are tasked with the responsibility of winding down former Redevelopment Agencies. As a requirement of the wind down process, the Successor Agencies are required to provide a Recognized Obligation Payment Schedule (“ROPS”) every six months identifying overall outstanding debt for all enforceable obligations with the Agency, as well as the estimated amount needed for each of those obligations during the six-month period covered by that ROPS. The ROPS is required to be considered and approved by the Successor Agency and Oversight Board (“OB”). Once approved, the ROPS and OB Resolution are submitted to the Department of Finance for subsequent review and final approval.

The ROPS for the period January 2014 through June 2014 is attached. The ROPS has been prepared using a new format mandated by the California Department of Finance (DOF). In addition to listing the enforceable obligations, the new format expands the previously required reconciliation of prior payments and includes a new table detailing the available balances retained by the Successor Agency.

The ROPS must be submitted to the Department of Finance by October 1, 2013. The OB approved the ROPS at its meeting of September 11, 2013.

FISCAL IMPACT

The payments for items listed on the ROPS will be funded from the Redevelopment Property Tax Trust Fund (“RPTTF”).


Thaddeus McCormack
City Manager

Attachments:

Resolution No. SA-2013-011

Exhibit A – ROPS for January 1, 2014 through June 30, 2014 (ROPS 13-14)

RESOLUTION NO. SA-2013-011

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SANTA FE SPRINGS ACTING AS SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT
AGENCY OF THE CITY OF SANTA FE SPRINGS
APPROVING THE SUCCESSOR AGENCY'S RECOGNIZED OBLIGATION
PAYMENT SCHEDULE (ROPS) FOR JANUARY 1, 2014 THROUGH
JUNE 30, 2014 (ROPS 13-14B)

THE CITY COUNCIL ACTING AS SUCCESSOR AGENCY HEREBY
RESOLVES AS FOLLOWS:

SECTION 1. Pursuant to its responsibility set forth in Section 34180(g) of the California Health and Safety Code, the City Council hereby approves the Successor Agency's Recognized Obligation Payment Schedules (ROPS) for the period January 1, 2014 through June 30, 2014, attached hereto as Exhibit "A" (ROPS 13-14B).

SECTION 2. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The City Council hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause, or phrase in this Resolution irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases may be declared invalid or unconstitutional.

SECTION 3. The Deputy City Clerk shall certify to the adoption of this Resolution.

SECTION 4. The Successor Agency's officials and staff are hereby authorized and directed to transmit this Resolution and take all other necessary and appropriate actions as required by law in order to effectuate its purposes.

APPROVED and ADOPTED this 26th day of September, 2013 by the following roll call vote:

Ayes:
Noes:
Absent:
Abstain:

Richard J. Moore, Mayor

Attest:

Anita Jimenez, Deputy City Clerk

Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary

Filed for the January 1, 2014 through June 30, 2014 Period

Name of Successor Agency: Santa Fe Springs
 Name of County: Los Angeles

		Six-Month Total
Current Period Requested Funding for Outstanding Debt or Obligation		
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A	Sources (B+C+D):	\$ 43,650
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	43,650
D	Other Funding (ROPS Detail)	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 12,513,914
F	Non-Administrative Costs (ROPS Detail)	12,149,431
G	Administrative Costs (ROPS Detail)	364,483
H	Current Period Enforceable Obligations (A+E):	\$ 12,557,564

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I	Enforceable Obligations funded with RPTTF (E):	12,513,914
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	(2,870,443)
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 9,643,471

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L	Enforceable Obligations funded with RPTTF (E):	12,513,914
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	12,513,914

Certification of Oversight Board Chairman:
 Pursuant to Section 34177(m) of the Health and Safety code, I
 hereby certify that the above is a true and accurate Recognized
 Obligation Payment Schedule for the above named agency.

 Name Title
 /s/ _____
 Signature Date

Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund Balances
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K										
											Fund Sources									
											Bond Proceeds		Reserve Balance		Other		RPTTF		Total	
Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Due Diligence Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin														
Fund Balance Information by ROPS Period																				
ROPS III Actuals (01/01/13 - 6/30/13)																				
	Beginning Available Fund Balance (Actual 01/01/13)																			
1	Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)																			
	18,220,354	-	878,645	14,444,084	49	-	-	-	-	33,543,132										
	Revenue/Income (Actual 06/30/13) Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller																			
2	39,369	-	-	-	20,398	6,111,061	139,039	-	-	6,309,887										
	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs																			
3	-	-	34,371	-	10,210	3,240,638	139,039	-	-	3,424,258										
	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III																			
4	18,259,723	-	446,118	14,444,084	-	-	-	-	-	33,149,925										
	ROPS III RPTTF Prior Period Adjustment Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.																			
5	-	-	-	-	-	-	2,870,443	-	-	2,870,443										
6	-	-	398,156	-	10,237	-	-	-	-	408,393										
ROPS 13-14A Estimate (07/01/13 - 12/31/13)																				
	Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)																			
7	18,259,723	-	844,274	-	10,237	2,870,443	-	-	-	36,428,761										
	Revenue/Income (Estimate 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller																			
8	40,000	-	-	-	480,343	9,955,593	298,668	-	-	10,774,604										
	Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)																			
9	-	-	-	-	-	9,955,593	298,668	-	-	10,254,261										
	Retention of Available Fund Balance (Estimate 12/31/13) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A																			
10	18,299,723	-	446,118	-	-	-	-	-	-	18,745,841										
11	-	-	398,156	-	490,580	2,870,443	-	-	-	18,203,263										

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail
January 1, 2014 through June 30, 2014
 (Report Amounts in Whole Dollars)

Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	G	H	I	J	K	Funding Source			P	
											L	M	N		O
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF	
											Bond Proceeds	Other Funds	Non-Admin	Admin	Six-Month Total
											\$	\$	\$	\$	\$
1	2001 Tax Allocation Bonds Series A (Housing)	Bonds Issued On or Before 12/31/10	09/19/2001	9/1/2024	US Bank	Refund Housing Portion of 1993 Bonds	Consolidated	Total Outstanding Debt or Obligation \$ 6,490,815	Retired						
2	2001 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	09/19/2001	9/1/2024	US Bank	Redevelopment Activities	Consolidated	14,983,600	N			1,699,240			1,699,240
3	2002 Tax Allocation Refunding Bonds Series A	Bonds Issued On or Before 12/31/10	07/29/2003	9/1/2022	US Bank	Redevelopment Activities/Refund 1992 Bonds	Consolidated	9,021,481	N			1,829,319			1,829,319
4	2003 Taxable Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	07/29/2003	9/1/2024	US Bank	Refunded 1993 Bonds (Housing)	Consolidated	4,440,263	N			405,438			405,438
5	2006 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	12/07/2006	9/1/2026	US Bank	Redevelopment Activities	Consolidated	53,191,600	N			149,350			149,350
6	2006 Tax Allocation Bonds Series B	Bonds Issued On or Before 12/31/10	12/07/2006	9/1/2026	US Bank	Redevelopment Activities	Consolidated	12,297,663	N			2,215,680			2,215,680
7	2007 Tax Allocation Refunding Bonds Series A	Bonds Issued On or Before 12/31/10	06/05/2007	9/1/2022	US Bank	Refund 1997, 1998, and Portion of 2002 Bonds	Consolidated	51,259,500	N			4,766,500			4,766,500
8	2005 ERAF Loan (Combined)	Third-Party Loans	04/27/2005	3/1/2015	CSGDA	Loan to Fund 2005 ERAF Payment	Consolidated	384,959	N			121,881			121,881
9	2006 ERAF Loan (Combined)	Third-Party Loans	05/03/2006	3/1/2016	CSGDA	Loan to Fund 2006 ERAF Payment	Consolidated	645,710	N			127,576			127,576
10	2004 ERAF Loan from CDC Housing SERAF/ERAF Fund	Third-Party Loans	05/13/2004	5/13/2014	LMHFF	Loan to Fund 2004 ERAF Payment	Consolidated	1,000,000	N						
11	2010 SERAF Loan	City/County Loans On or Before 6/27/11	05/10/2010	6/30/2014	2006 CDC Bond Fund	Loan to Fund 2010 SERAF Payment	Consolidated	10,504,722	N						
12	2010 SERAF Loan	City/County Loans On or Before 6/27/11	05/10/2010	6/30/2014	2006 CDC Bond Fund	Loan to Fund 2010 SERAF Payment	Washington Blvd.	149,154	N						
13	2011 SERAF Loan	SERAF/ERAF	05/09/2011	5/9/2016	LMHFF	Loan to Fund 2011 SERAF Payment	Combined	2,193,445	N						
14	Tax Increment Loan - Sales Tax (Washington Blvd.)	City/County Loans On or Before 6/27/11	06/05/1987	6/30/2014	City of SFS	Tax Increment Loan - Sales Tax (Washington Blvd.)	Washington Blvd.	4,895,000	N						
15	Tax Increment Loan (Washington Blvd.)	Third-Party Loans	06/05/1987	6/30/2014	Los Angeles County	Tax Increment Loan (Washington Blvd.)	Washington Blvd.	7,900,000	N						
16	1992 Redevelopment Refunded Bonds - Unclaimed Funds	Miscellaneous	09/01/2002	6/30/2014	Arnold D Horodas	Called registered principal - CUSIP 802788EG3	Consolidated	10,200	N			10,200			10,200
17	1992 Redevelopment Refunded Bonds - Unclaimed Funds	Miscellaneous	09/01/2002	6/30/2014	Arnold D Horodas	Called registered principal - CUSIP 802788EH1	Consolidated	15,300	N			15,300			15,300
18	1992 Redevelopment Refunded Bonds - Unclaimed Funds	Miscellaneous	09/01/2002	6/30/2014	Moya E Monroe	Called registered principal - CUSIP 802788EEB	Consolidated	5,100	N			5,100			5,100
19	1992 Redevelopment Refunded Bonds - Unclaimed Funds	Miscellaneous	09/01/2002	6/30/2014	Holy Libby	Called registered principal - CUSIP 802788EEB	Consolidated	10,200	N			10,200			10,200
20	1992 Redevelopment Refunded Bonds - Unclaimed Funds	Miscellaneous	09/01/2001	6/30/2014	Arnold D Horodas	Registered interest	Consolidated	800	N			800			800
21	1992 Redevelopment Refunded Bonds - Unclaimed Funds	Miscellaneous	03/01/2002	6/30/2014	Arnold D Horodas	Registered interest	Consolidated	800	N			800			800
22	1992 Redevelopment Refunded Bonds - Unclaimed Funds	Miscellaneous	09/01/2001	6/30/2014	Arnold D Horodas	Registered interest	Consolidated	800	N			800			800
23	1992 Redevelopment Refunded Bonds - Unclaimed Funds	Miscellaneous	09/01/2001	6/30/2014	Moya E Monroe	Registered interest	Consolidated	150	N			150			150
24	1992 Redevelopment Refunded Bonds - Unclaimed Funds	Miscellaneous	03/01/2002	6/30/2014	Moya E Monroe	Registered interest	Consolidated	150	N			150			150
25	1992 Redevelopment Refunded Bonds - Unclaimed Funds	Miscellaneous	09/01/2002	6/30/2014	Moya E Monroe	Registered interest	Consolidated	150	N			150			150
26	Proportional Share of Unfunded Liabilities	Unfunded Liabilities	02/10/2011	6/30/2042	City of SFS	Obligation to Share in Payment of Unfunded Liabilities	Combined	10,701,750	N			187,750			187,750
27	Neighborhood Center Renovation Project	OPAD/DA/Construction	05/08/2010	12/31/2012	City of SFS	Renovation of Neighborhood Center	Consolidated	-	Y						
28	Villages at Heritage Springs	OPAD/DA/Construction	11/17/2005	6/31/2013	Villages at Heritage Springs	Land Purchase Not to Exceed 15 Years Tax Increment	Consolidated	-	Y						
29	Construction Assistance for Readerboard Sign	Improvement/Infrastructuro	05/26/2011	6/30/2013	Tom's Truck Center, Inc.	Assistance for Construction of Readerboard Sign	Consolidated	-	Y						
30	Property Dispositions Agreement	Property Dispositions	07/09/2008	2/28/2015	McGranahan Carlson & Co.	Agreement for Disposition of Proceeds	Consolidated	2,102,185	N						
31	Audit Services	Admin. Costs	01/01/2013	6/30/2013	MCO	Audit Services	Consolidated	-	Y						
32	Due Diligence Reviews	Dissolution Audits	01/01/2013	6/30/2013	MCO	Due Diligence Reviews of Unobligated Balances (AB1484)	Consolidated	-	Y						
33	Chevron Site Appraisal	Property Dispositions	01/01/2013	5/21/2013	R.P. Laurain & Associates	Real Estate Appraisal	Consolidated	-	Y						
34	Fiscal Agent Fees	Fees	01/01/2014	6/30/2014	US Bank	Fiscal Agent Fees	Consolidated	10,500	N			2,500			2,500
35	Arbitrage Fees	Fees	01/01/2014	6/30/2014	Bond Logistics	Arbitrage Consulting Services	Consolidated	-	Y						
36	Oversight Board Legal Counsel	Admin. Costs	01/01/2014	6/30/2014	Walim, Kress, Reisman and Krantz	Legal Services	Consolidated	-	Y						

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
16	1992 Redevelopment Refunded Bonds Unclaimed Funds Held by Successor Agency until requested by registered owner
17	1992 Redevelopment Refunded Bonds Unclaimed Funds Held by Successor Agency until requested by registered owner
18	1992 Redevelopment Refunded Bonds Unclaimed Funds Held by Successor Agency until requested by registered owner
19	1992 Redevelopment Refunded Bonds Unclaimed Funds Held by Successor Agency until requested by registered owner
20	1992 Redevelopment Refunded Bonds Unclaimed Funds Held by Successor Agency until requested by registered owner
21	1992 Redevelopment Refunded Bonds Unclaimed Funds Held by Successor Agency until requested by registered owner
22	1992 Redevelopment Refunded Bonds Unclaimed Funds Held by Successor Agency until requested by registered owner
23	1992 Redevelopment Refunded Bonds Unclaimed Funds Held by Successor Agency until requested by registered owner
24	1992 Redevelopment Refunded Bonds Unclaimed Funds Held by Successor Agency until requested by registered owner
25	1992 Redevelopment Refunded Bonds Unclaimed Funds Held by Successor Agency until requested by registered owner
28	Original contract 11/17/2005, amended: 11/21/06, 05/29/07, 07/09/09, Settled August 2013
41	Next Arbitrage Required 2016

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #

Notes/Comments

**MINUTES OF THE ADJOURNED MEETING OF THE
SANTA FE SPRINGS CITY COUNCIL**

August 22, 2013

1. CALL TO ORDER

Mayor Moore called the meeting to order at 4:38 p.m.

2. ROLL CALL

Present: Councilmembers González, Rios, Rounds, Mayor Pro Tem Trujillo, Mayor Moore

Also present: Thaddeus McCormack, City Manager; Steve Skolnik, City Attorney; Anita Jimenez, Deputy City Clerk

Mayor Moore recessed the meeting at 4:39 p.m.

CITY COUNCIL

CLOSED SESSION

3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Subdivision (b) of Section 54956.9

Title: City Attorney

Mayor Moore reconvened the meeting at 5:44 p.m.

There was no report from the City Attorney.

4. ORAL COMMUNICATIONS

Oral Communications were opened at 5:44 p.m. There being no one wishing to speak, Oral Communications were closed at 5:45

5. ADJOURNMENT

Mayor Moore adjourned the meeting at 5:45 p.m.

ATTEST:

Richard J. Moore, Mayor

Anita Jimenez, CMC
Deputy City Clerk

Date

SEE ITEM 3A



PUBLIC HEARING/ORDINANCE FOR INTRODUCTION

Ordinance No. 1047 – Zone Change Case No. 134

A request for approval to change the zoning designation of a single parcel (APN: 8011-012-902) of 3.9± acres, with an address of 13231 Lakeland Road, and located at the northwest corner of Laurel Avenue and Lakeland Road from M-2-BP, Heavy Manufacturing-Buffer Parking to R-3-PD, Multiple-Family Residential-Planned Development, and also to change the zoning designation of three parcels (APN: 8011-011-906, APN: 8011-011-907 and APN: 8011-011-912) with a total combined area of 32,562 sq. ft. and located at the northeast corner of Laurel Avenue and Lakeland Road from A-1, Light Agricultural to R-3-PD, Multiple-Family Residential-Planned Development. (City of Santa Fe Springs)

RECOMMENDATIONS

That the City Council:

1. Open the Public Hearing and receive any comments from the public regarding Zone Change Case No. 134 and thereafter close the Public Hearing;
2. Find that Zone Change Case No. 134 satisfies the criteria and conditions set forth in Section 155.825 et seq of the City Code for the granting of a Change of Zone;
3. Find that Zone Change Case No. 134 involving the proposed Change of Zone from M-2-BP, Heavy Manufacturing-Buffer Parking to R-3-PD, Multiple-Family Residential-Planned Development, and from A-1, Light Agricultural to R-3-PD, Multiple-Family Residential-Planned Development, is consistent with the City's General Plan; and
4. Introduce Ordinance No. 1047 and pass its first reading on Zone Change Case No. 134.

BACKGROUND/DESCRIPTION OF REQUEST

The 3.9± acre property, is located at 13231 Lakeland Road, at the northwest corner of Laurel Avenue and Lakeland Road. In 2006, Comstock Homes submitted several applications (conditional use permit, zone change and general plan) to develop the 3.9± acre property into 96 residential units consisting of 12 8-plex buildings. The proposed development featured a mixture of two- and three-story homes, with four different floor plans ranging in size from 1,123 sq. ft. to 1,524 sq. ft., with 2 to 3 bedrooms and either tandem or side-by-side two-car garage units.

The Community Development Commission (CDC) in May 2008 acquired the property, from Comstock Homes when they withdrew their applications due to the soft real estate market. The CDC purchased the property, with Housing Set-Aside

funds, for the purpose of developing affordable housing. For the property to be developed with housing, the zoning and general plan need to be changed. This is the primary reason why the City of Santa Fe Springs, as Applicant, is requesting the proposed change of zone and general plan amendment.

On February 26, 2009, the CDC awarded a consultant contract to Beth Stochl Associates to prepare a Request for Qualifications (RFQ). The purpose of the Request was to identify well-qualified developers that have experience and demonstrated ability to construct affordable housing. In 2011, after a lengthy Request for Qualifications process, East LA Community Corporation and National CORE (ELACC) in a joint venture partnership were selected as the developer to construct affordable single-family ownership housing on the 3.9-acre property. The approval was contingent upon the approval and execution of a Disposition and Development Agreement (DDA) between ELACC and the CDC. Under the terms of the DDA, ELACC would develop 48 affordable for-sale single-family homes (detached condos) to be sold to moderate-income homebuyers earning 80% to 120% Area Median Income (AMI). The CDC would lease the land to ELACC for \$1 for 45 years.

Since that time, the project has not commenced due to the depressed homeownership market, collapse of the financial market, and the uncertainty of the aftermath of the dissolution of the more than 400 redevelopment agencies (RDAs) in the State of California in 2012. As a result, the DDA was never executed. At the time of the dissolution of RDAs, it was unclear as to what would happen to assets acquired by Housing Set Aside funds. Subsequent legislation provided a process to have housing assets transferred permanently to cities. The City has undergone such a process and as a result, the City's housing assets are now available for disposal without limitations.

The 2013-14 economic forecast by the Los Angeles County Economic Development Commission (LAEDC) predicts continued modest growth in the economy, gains in the labor market, low inflation threat, and improvements in the housing market. With the freeing of the City's housing assets coupled with a slowly recovering economy, Staff intends to solicit RFQs to develop the property with affordable housing.

Ownership of the property has since been transferred to the Housing Successor by operation of law on February 1, 2012. Housing successors were established to manage assets of the former low to mid-income housing funds of RDAs.

The property is currently fenced and unimproved. For the past 5 years, the City has allowed the Los Angeles County Chief Executive Office to lease the subject vacant property. The County has used the property, generally for a few weeks, for the parking of trucks and equipment related to the November elections.

The 3.9± acre property is located at 13231 Lakeland Road, at the northwest corner of Laurel Avenue and Lakeland Road and is zoned M-2-BP, Heavy Manufacturing-

Buffer Parking. At the northeast corner of Laurel Avenue and Lakeland Road are three parcels (APN: 8011-011-906, APN: 8011-011-907, APN: 8011-011-912) with a total combined area of 32,562 sq. ft., that are also owned by the Housing Successor. These properties are zoned A-1, Light Agricultural.

Except for APN: 8011-011-906, all of the aforementioned properties were identified in the City's 2008-2014 Housing Element to be rezoned from their current zoning to R-3-PD, Multiple-Family Residential-Planned Development. The rezoning of the sites to residential uses would fulfill the parameters of AB 2348 and address the City's Regional Housing Need Assessment (RHNA) shortfall for lower income units.

The General Plan Guidelines published by the State Office of Planning and Research require all projects, actions, or programs to be consistent with the General Plan; thus for residential development to occur on the identified properties, the zoning and land designation of the subject properties must be changed.

As a result, the applicant is requesting approval to change the existing zoning designation on the 3.93± acre property (APN: 8011-012-902) located at 13231 Lakeland Road from M-2-BP, Heavy Manufacturing-Buffer Parking to R-3-PD, Multiple-Family Residential-Planned Development, and also to change the zoning designation of the 3 parcels (APN: 8011-011-906, APN: 8011-011-907, APN: 8011-011-912) at the northeast corner of Laurel Avenue and Lakeland Road, with a total combined area of 32,562 sq. ft., from A-1, Light Agricultural to R-3-PD, Multiple-Family Residential-Planned Development. The Planned Development Overlay zone will allow for flexibility and deviation from certain requirements of the underlying zone designation.

Concurrent with the Zone Change (ZC 134) request, the applicant is also requesting approval to amend the Land Use Map of the City's General Plan (General Plan Amendment Case No. 25 (GPA 25) on the single parcel (APN: 8011-012-902) of 3.9± acres, with an address of 13231 Lakeland Road, and located at the northwest corner of Laurel Avenue and Lakeland Road, from the existing land use designation of Industrial to Multiple-Family Residential. The applicant is also requesting approval to amend the Land Use Map of the City's General Plan for the three parcels, (APN: 8011-011-906, APN: 8011-011-907 and APN: 8011-011-912), with a total combined area of 32,562 sq. ft., and located at the northeast corner of Laurel Avenue and Lakeland Road, from Single-Family Residential to Multiple-Family Residential.

Upon approval and adoption of the proposed Change of Zone and General Plan Amendment, the new zoning designations of R-3-PD, Multiple-Family Residential-Planned Development and the new general plan land use designation of Multiple-Family Residential, will be consistent.

PREVIOUS ACTIONS BY PLANNING COMMISSION

On September 23, 2013, the Planning Commission held a Public Hearing on Zone Change Case No. 134 and General Plan Amendment Case No. 25. After opening the Public Hearing, receiving a presentation from Staff, and receiving comments, the Planning Commission approved the proposed Zone Change and General Plan Amendment with a recommendation that the City Council approve the subject Zone Change and General Plan Amendment. The Commission's recommendation was embodied in Resolutions 38-2013 and 39-2013. The Commission also determined that the proposed project was Categorically Exempt from the California Environmental Act (CEQA).

ZONING ORDINANCE REQUIREMENTS

Section 155.825 of the Zoning Regulations stipulates that, in considering any request for a change of zone, the Commission shall satisfy itself that the following conditions prevail before recommending that the change be granted:

1. That there is a real need in the community for more of the types of uses permitted by the zone requested than can be accommodated in the areas already zoned for such use;
2. That the property involved in the proposed change of zone is more suitable for the uses permitted in the proposed zone than for the uses permitted in the present zone classification;
3. That the proposed change of zone would not be detrimental in any way to persons or property in the surrounding area, nor to the community in general;
4. That the proposed change of zone will not adversely affect the master plan of the city.

STREETS AND HIGHWAYS

The subject properties are located at the northeast and northwest of Laurel Avenue and Lakeland Road. Both Laurel Avenue and Lakeland Road are designated as "Local" streets within the Circulation Element of the City's General Plan.

ZONING AND LAND USE

One of the properties is zoned M-2-BP, Heavy Manufacturing-Buffer Parking and the other properties are zoned A-1, Light Agricultural. All the properties are vacant and on unimproved land. The Zoning, General Plan, and Land Use of the surrounding properties for the 3.9± acre property are as follows:

Table I

Direction	Zoning District	General Plan	Land Use
North	M-2, Heavy Manufacturing	Industrial	10905 Laurel Avenue – Key Mechanical Services (commercial mechanical contractor)
South	A1 (County)		13021 Meyer Road – Amelia Mayberry Park, Single-family dwellings
East	A-1, Light Agricultural	Agricultural	Single family dwellings; unimproved land
West	M-2, Heavy Manufacturing	Industrial	13221 Lakeland Road – Advance Microwave Components (fabricator of RF communication components and waveguide components for the communication and satellite industry.)

The Zoning, General Plan and Land Use of the surrounding properties for the three (3) parcels are as follows:

Table II

Direction	Zoning District	General Plan	Land Use
North	A-1, Light Agricultural	Single Family Residential	Single family dwellings; unimproved land
South	PF-Public Facilities	Public Facilities	13021 Meyer Road – Carmela Elementary School
East	R-3, Multiple Family Residential	Multiple Family Residential	13331 Lakeland Road - Lakeland Manor Apartments (apartments for low-income disabled tenants)
West	M-2, Heavy Manufacturing	Industrial	13231 Lakeland Road –vacant, unimproved land

LEGAL NOTICE OF PUBLIC HEARING

This matter was set for Public Hearing in accordance with the requirements of Sections 65090 et seq and 65854 of the State Planning, Zoning, and Development Laws and the requirements of Sections 155.860 through 155.866 of the City's Municipal Code. Legal notice of the Public Hearing for the proposed Zone Change and General Plan Amendment was sent by first class mail to all property owners whose names and addresses appear on the latest County Assessor's Roll within 500 feet of the exterior boundaries of the subject property on September 12, 2013. The legal notice was also posted at Santa Fe Springs City Hall, the City Library and the City's Town Center on September 12, 2013, and published in a newspaper of general circulation (Whittier Daily News) on September 13, 2013, as required by the State Zoning and Development Laws and by the City's Zoning Ordinance.

ADDITIONAL NOTIFICATION

In addition to the notification as stated above, notification of the proposed Zone Change and General Plan Amendment was sent to the surrounding cities, the uniformed school district within and outside the area covered by the proposed project, and each agency expected to provide water, sewage, streets, roads, or

other essential facilities or services to the project. Notification was also mailed to all the owners of the properties that are the subject of the Zone Change and General Plan Amendment.

ENVIRONMENTAL IMPACT ASSESSMENT

Pursuant to Section 15061 (General Rule Provision) of the California Environmental Quality Act (CEQA) this project is Categorical Exempt.

ZONING ORDINANCE REQUIREMENTS – FINDINGS

1. *That there is a real need in the community for more of the types of uses permitted by the zone requested than can be accommodated in the areas already zoned for such use.*

There is a need in the community for additional housing. Santa Fe Springs is a predominantly industrial community, with most of its residential neighborhoods built out in the 1950s. Approximately 10% of the City's 5,500 acres is zoned for residential uses, and virtually all of those areas are now fully developed.

The City is also expected to experience future growth in population and employment; thus, necessitating the need for the types of uses (residential) permitted by the zone change request. Table III outlines the Southern California Association of Government, (SCAG), population, housing, and employment forecast for City.

**Table III
City of Santa Fe Springs
Population, Housing and Employment Forecast**

Year	Population	Housing Units	Employment
2005	17,547	4,995	60,833
2010	18,263	5,201	64,732
2015	19,113	5,451	65,703
2020	19,949	5,702	66,617

Source: SCAG 2004 RTP Growth Forecast, website:
<http://www.scag.ca.gov/forecast/rtpqf2004.htm>

As seen in the table, between 2005 and 2010, the population is projected to increase by 716 individuals, housing is projected to increase by 206 units, and employment is projected to increase by 3,900 jobs. Between 2010 and 2015, the population is projected to increase by 850 individuals, housing is projected to increase by 250 units, and employment is projected to increase by 971 jobs. Moreover, between 2015 and 2020, the population is projected to increase by 836 individuals, housing is projected to increase by 251 units and employment is projected to increase by 914 jobs.

With projected increase in population and employment, coupled with the residentially zoned areas of the City being fully developed, there is a definite need for residential development in the City.

2. *That the property involved in the proposed change of zone is more suitable for the uses permitted in the proposed zone than for the uses permitted in the present zone classification.*

It can be argued that because the properties that are the subject of the proposed Zone Change is zoned M-2-BP, Heavy Manufacturing-Buffer Parking and A-1, Light Agricultural, residential development is inappropriate. The City's Housing Element has clearly identified the need for additional residential housing and that there is a substantial long-term demand for residential development in the City. This is especially important since virtually all of residential areas of the City are fully developed. The City's State-mandated 2008-2014 Housing Element identified the sites for rezoning to residential uses and the properties were acquired by Housing Set-Aside funds to be specifically developed with residential uses.

The existing Agricultural zone in that area is antiquated. Most of the City's Agricultural zones are located adjacent to the San Gabriel River, within the westerly area of the City. Moreover, the subject Agricultural zone is surrounded by residential uses. Although the existing A-1 Zone allows for single-family dwellings, it also allows for farms or ranches, for orchards, vineyards, tree crops, field crops, and for a maximum of 12 poultry and four adult rabbits on any one lot or parcel. These types of uses would not be compatible with the surrounding residential uses.

East of the three parcels is Lakeland Manor, a 25-unit housing facility operated by Ability First for physically disabled adults. Prior to the dissolution of RDAs, the City was in discussion with Ability First about constructing a second phase of the Lakeland Manor project on the parcels for a 21-unit family rental project for persons with disabilities. The project would contain a mix of one-, two-, and three-bedroom units, and would be affordable to very low-income and low-income households. With the dissolution of RDAs, the project was placed in abeyance and eventually was terminated. The proposed change of zone and general plan amendment could potentially allow for a new developer to develop the parcels with affordable housing. The existing zoning would not.

3. *That the proposed change of zone would not be detrimental in any way to persons or property in the surrounding area, nor to the community in general.*

Staff has not received any responses from any persons or from the surrounding property owners opposed to the proposed Change of Zone and/or General Plan Amendment.

The proposed Zone Change and associated General Plan Amendment will result in the following benefits: (1) Preserve the prevailing low-density single-family characteristics of the City's existing residential uses; (2) Encourage and promote owner-occupancy of homes; (3) Facilitate the development of a range of residential development types in Santa Fe Springs and in so doing help fulfill regional housing needs, including low-density single-family uses, moderate-density townhomes and higher-density condominiums; (4) Address the housing shortage in the City by adding a minimum of 118 homes and expanding the level of housing in the City; (5) promote a job/housing balance by locating attractive housing in proximity to schools (Carmela Elementary School), parks (Amelia Mayberry Park), and a commuter rail system (less than 1.5 miles from the site-Santa Fe Springs/Norwalk Metrolink station), and to convenient freeway access (Interstate 5, 405, and 605 Freeways, State Route 91 Freeway); (7) provide a project that, based on the City's development standards, will incorporate high-quality landscaping and aesthetics, creating a more beautiful and livable neighborhood environment.

4. *That the proposed change of zone will not adversely affect the master plan of the city.*

The General Plan is the *master plan of the city*. The General Plan provides the overall direction for the future development of the City. It is a comprehensive planning document that addresses the many aspects of community life in the City of Santa Fe Springs. It is a long range plan in that it seeks to provide for the needs of the community into the future. The General Plan is also flexible enough to respond to the changing needs and concerns of those who live, work, and frequent Santa Fe Springs.

The General Plan consists of six mandatory elements, including: 1) Land Use; 2) Housing; 3) Open Space/Conservation; 4) Safety; 5) Circulation; and, 6) Noise. There is no evidence to suggest that the proposed Zone Change will *adversely affect the master plan of the city*.

The following table (Table IV) illustrates how the proposed Change of Zone will be consistent with the goals and policies of the General Plan.

**Table IV
General Plan Consistency Analysis**

<u>Element</u>	<u>Policy</u>	<u>Project Consistency/Comment</u>
<u>Land Use</u>	Encourage and promote owner-occupancy of homes	Consistent: The subject properties will be developed with housing.
	Encourage the grouping of adjoining small or odd shaped parcels in order to create more viable development	Consistent: Multiple Assessor's Parcels will be combined to form one the project site

<u>Housing</u>	Provide adequate sites to facilitate the development of a range of residential development types which fulfill regional housing needs, including low density single family uses, moderate density town homes and higher density apartments and condominiums.	Consistent: The eventual development of the site with affordable housing will help to address the City's housing needs.
	2.3 Continue to provide for flexibility in the density and mix of land uses through the Planned Development overlay, and encourage the development of higher density, affordable housing in this zone.	Consistent: Any proposed residential development on the site could potentially be developed with a density of between 20 to 30 dwelling units per acre. The Planned development Zone would also allow for flexibility in the development standards. All future dwelling would be affordable housing.
<u>Open Space</u>	Promote the development of open space and recreational facilities within commercial, industrial, and residential developments	Consistent: Any future development on the sites would include some area of open space and where feasible, recreational facilities.
<u>Safety</u>	Review all new developments with regards to urban fire risks	Consistent: Any future development of the site with housing will be reviewed for design features to reduce the demand for fire department's services, including fire hydrant placement, emergency access, and the installation of sprinklers within each unit.
<u>Circulation</u>	Minimize pedestrian and vehicular conflicts	Consistent: Any future development of the sites would incorporate meandering sidewalks or sidewalks that will be setback from the curb.

STAFF REMARKS

The current zoning and land used designation prevents the properties from being developed with housing. This is despite the fact that the properties were acquired by Housing Set-Aside monies with the primary goal of developing the properties for housing. Based on the reasons enumerated above, Staff believes that Zone Change Case No. 134 meets and satisfies the criteria for the subject change of zone request.

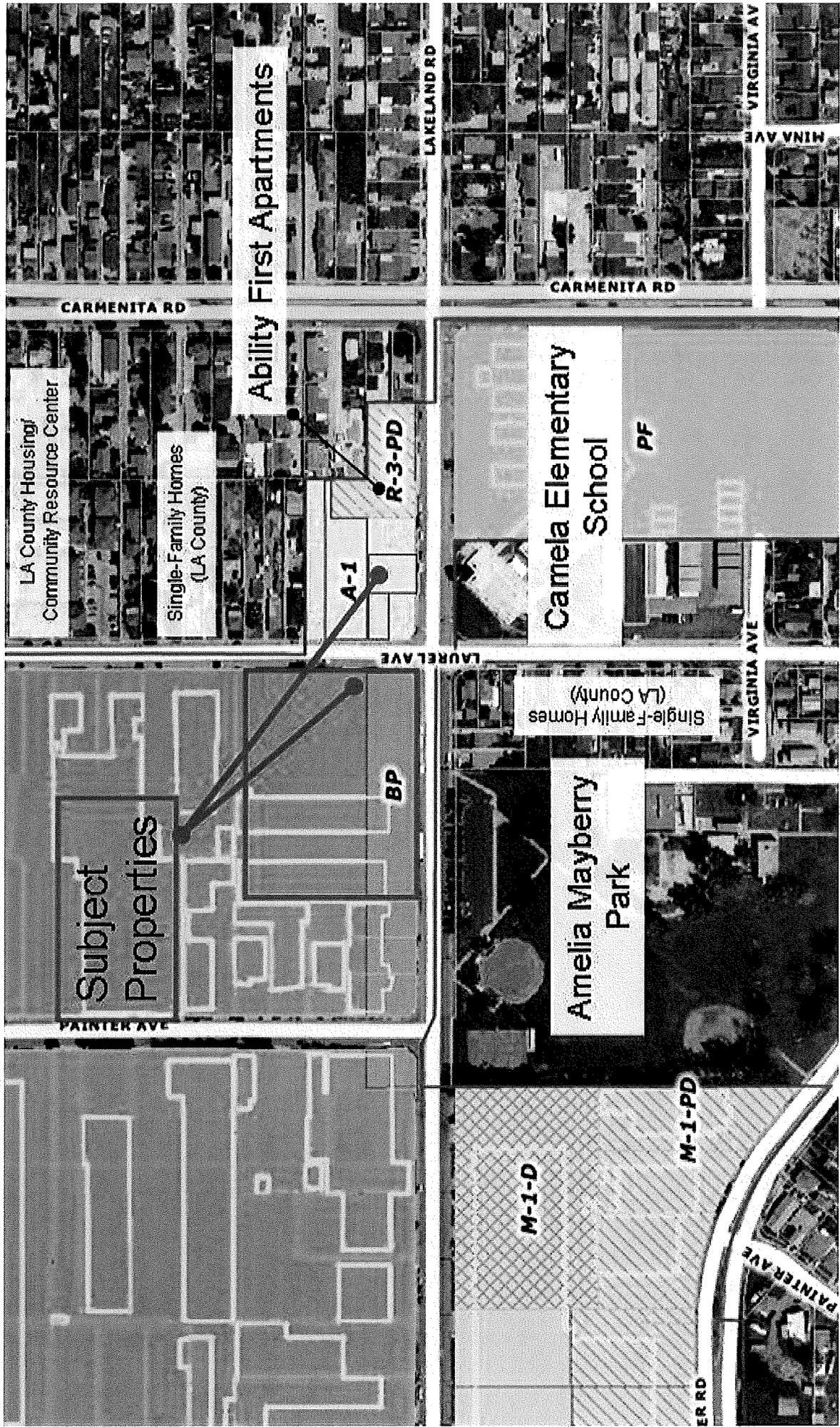


Thaddeus McCormack
City Manager

Attachments:

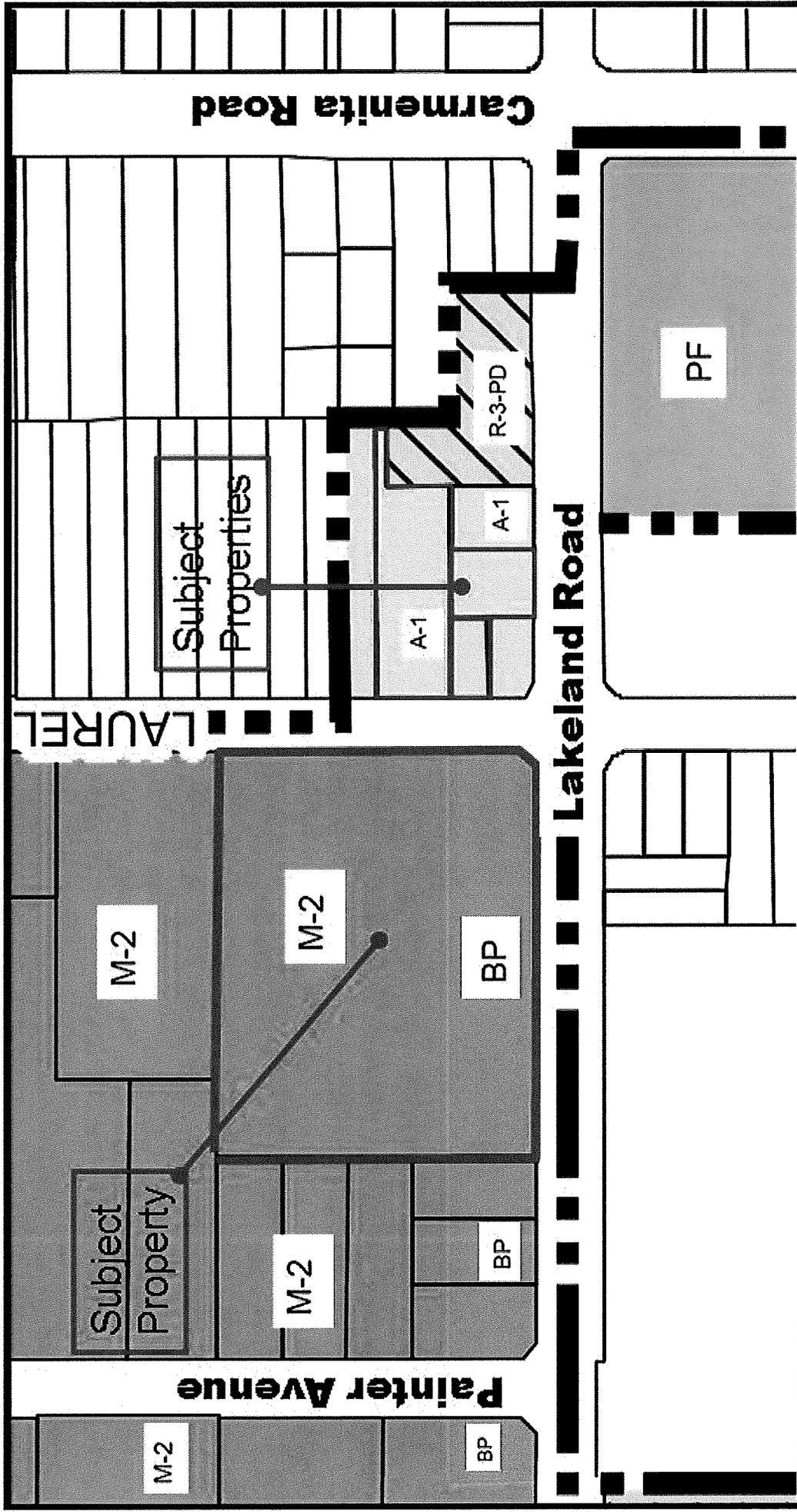
1. Location Map - Aerial Photograph
2. Vicinity Map
3. Zone Change Map-Existing
4. Zone Change Map-Proposed
5. Ordinance No. 1047

EXHIBIT A, ORDINANCE NO. 1047
ZONE CHANGE CASE NO. 134



VICINITY MAP

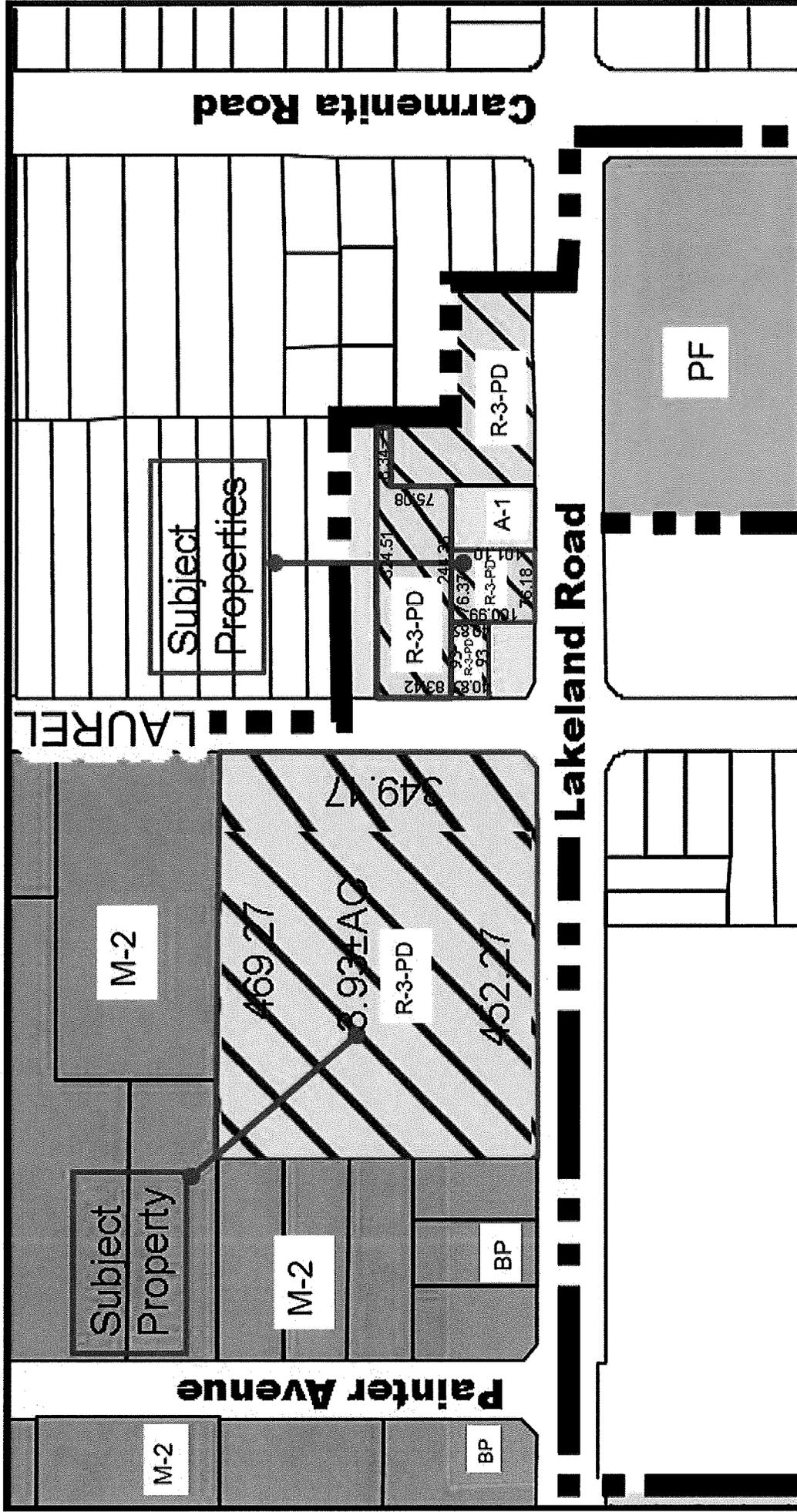
EXHIBIT A, ORDINANCE NO. 1047
 ZONE CHANGE CASE NO. 134



EXISTING ZONE [] City Boundary

- BP Buffer Parking
- M-2 Heavy Manufacturing
- A-1 Light Agricultural
- PF Public Facilities
- R-3-PD Multiple Family - Planned Development Overlay Zone

EXHIBIT A, ORDINANCE NO. 1047
 ZONE CHANGE CASE NO. 134



PROPOSED ZONE [shaded box] City Boundary

CHANGE OF ZONE FROM M-2 BP, HEAVY MANUFACTURING-BUFFER PARKING AND FROM A-1 LIGHT AGRICULTURAL TO R-3-PD, MULTIPLE-FAMILY RESIDENTIAL PLANNED DEVELOPMENT

[shaded box] M-2 BP and [shaded box] A-1 to [shaded box] R-3-PD Multiple Family - Planned Development Overlay Zone

ORDINANCE NO. 1047

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS AMENDING TITLE 5 OF THE CODE OF ORDINANCES OF THE CITY, "THE ZONING ORDINANCE" OF THE CITY, BY PLACING CERTAIN PROPERTIES WITHIN THE CITY INTO THE R-3-PD, "MULTI-FAMILY RESIDENTIAL-PLANNED DEVELOPMENT" ZONE (ZONE CHANGE CASE NO. 134).

THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES ORDAIN AS FOLLOWS:

Section 1. Attached hereto and, by this reference, made a part hereof, is a map entitled "Exhibit A." The properties which are the subject of this Ordinance is shown on said map as currently being in the M-2-BP, Heavy Manufacturing-Buffer Parking zone (APN: 8011-012-902) and A-1, Light Agricultural zone (APN: 8011-011-906, APN: 8011-011-907, APN: 8011-011-912).

Section 2. Title 15 of the Code of Ordinances of the City of the City of Santa Fe Springs, which chapter is the Zoning Ordinance of the City, is amended by placing the properties shown upon Exhibit A as being in the R-3-PD, Multi-Family Residential – Planned Development, zone.

Section 3. The City Clerk shall certify to the adoption of this Ordinance, and shall cause the same to be posted in at least three (3) public places in the City, such posting to be completed not later than fifteen (15) days after passage hereof.

PASSED, APPROVED AND ADOPTED THIS 8th DAY OF OCTOBER, 2013.

AYES:
NOES:
ABSENT:

ATTEST:

DEPUTY CITY CLERK

MAYOR



PUBLIC HEARING

Resolution No. 9428 – General Plan Amendment No. 25

A request for approval to amend the Land Use Map of the City's General Plan on a single parcel (APN: 8011-012-902) of 3.9± acres, with an address of 13231 Lakeland Road, and located at the northwest corner of Laurel Avenue and Lakeland Road, from the existing land use designation of Industrial to Multiple-Family Residential and also to amend the Land Use Map of the City's General Plan for the 3 parcels, (APN: 8011-011-906, APN: 8011-011-907 and APN: 8011-011-912), with a total combined area of 32,562 sq. ft. and located at the northeast corner of Laurel Avenue and Lakeland Road, from Single-Family Residential to Multiple-Family Residential.(City of Santa Fe Springs)

RECOMMENDATIONS

Staff recommends that the City Council take the following actions:

1. Open the Public Hearing and receive any comments from the public regarding General Plan Amendment Case No. 25 and, after receiving all public comments, close the Public Hearing; and
2. Adopt Resolution No. 9428, approving General Plan Amendment Case No. 25, a request to amend the Land Use Map on a single parcel (APN: 8011-012-902) of 3.9± acres, with an address of 13231 Lakeland Road, and located at the northwest corner of Laurel Avenue and Lakeland Road, from the existing land use designation of Industrial to Multiple-Family Residential and also to amend the Land Use Map of the City's General Plan for the 3 parcels, (APN: 8011-011-906, APN: 8011-011-907 and APN: 8011-011-912), with a total combined area of 32,562 sq. ft. and located at the northeast corner of Laurel Avenue and Lakeland Road, from Single-Family Residential to Multiple-Family Residential.

BACKGROUND/DESCRIPTION OF REQUEST

The 3.9± acre property is located at 13231 Lakeland Road, at the northwest corner of Laurel Avenue and Lakeland Road. In 2006, Comstock Homes submitted several applications (conditional use permit, zone change and general plan) to develop the 3.9± acre property into 96 residential units consisting of 12 8-plex buildings. The proposed development featured a mixture of two- and three-story homes, with four different floor plans ranging in size from 1,123 sq. ft. to 1,524 sq. ft., with 2 to 3 bedrooms and either tandem or side-by-side two-car garage units.

The Community Development Commission (CDC) in May 2008 acquired the property, from Comstock Homes when they withdrew their applications due to the soft real estate market. The CDC purchased the property, with Housing Set-Aside funds, for the purpose of developing affordable housing. For the property to be developed with housing, the zoning and general plan need to be changed. This is

the primary reason why the City of Santa Fe Springs, as Applicant, is requesting the proposed change of zone and general plan amendment.

On February 26, 2009, the CDC awarded a consultant contract to Beth Stochl Associates to prepare a Request for Qualifications (RFQ). The purpose of the Request was to identify well-qualified developers that have experience and demonstrated ability to construct affordable housing. In 2011, after a lengthy Request for Qualifications process, East LA Community Corporation and National CORE (ELACC) in a joint venture partnership were selected as the developer to construct affordable single-family ownership housing on the 3.9-acre property. The approval was contingent upon the approval and execution of a Disposition and Development Agreement (DDA) between ELACC and the CDC. Under the terms of the DDA, ELACC would develop 48 affordable for-sale single-family homes (detached condos) to be sold to moderate-income homebuyers earning 80% to 120% Area Median Income (AMI). The CDC would lease the land to ELACC for \$1 for 45 years.

Since that time, the project has not commenced due to the depressed homeownership market, collapse of the financial market, and the uncertainty of the aftermath of the dissolution of the more than 400 redevelopment agencies (RDAs) in the State of California in 2012. As a result, the DDA was never executed. At the time of the dissolution of RDAs, it was unclear as to what would happen to assets acquired by Housing Set Aside funds. Subsequent legislation provided a process to have housing assets transferred permanently to cities. The City has undergone such a process and as a result, the City's housing assets are now available for disposal without limitations.

The 2013-14 economic forecast by the Los Angeles County Economic Development Commission (LAEDC) predicts continued modest growth in the economy, gains in the labor market, low inflation threat, and improvements in the housing market. With the freeing of the City's housing assets coupled with a slowly recovering economy, Staff intends to solicit RFQs to develop the property with affordable housing.

Ownership of the property has since been transferred to the Housing Successor by operation of law on February 1, 2012. Housing successors were established to manage assets of the former low to mid-income housing funds of RDAs.

The property is currently fenced and unimproved. For the past 5 years, the City has allowed the Los Angeles County Chief Executive Office to lease the subject vacant property. The County has used the property, generally for a few weeks, for the parking of trucks and equipment related to the November elections.

The 3.9± acre property is located at 13231 Lakeland Road, at the northwest corner of Laurel Avenue and Lakeland Road and is zoned M-2-BP, Heavy Manufacturing-Buffer Parking. At the northeast corner of Laurel Avenue and Lakeland Road are three parcels (APN: 8011-011-906, APN: 8011-011-907, APN: 8011-011-912) with a total combined area of 32,562 sq. ft., that are also owned by the Housing Successor. These properties are zoned A-1, Light Agricultural.

Except for APN: 8011-011-906, all of the aforementioned properties were identified in the City's 2008-2014 Housing Element to be rezoned from their current zoning to R-3-PD, Multiple-Family Residential-Planned Development. The rezoning of the sites to residential uses would fulfill the parameters of AB 2348, address the City's Regional Housing Need Assessment (RHNA) shortfall for lower income units and facilitate the eventual development of the site with affordable housing.

The General Plan Guidelines published by the State Office of Planning and Research require all projects, actions, or programs to be consistent with the General Plan; thus for residential development to occur on the identified properties, the zoning and land designation of the subject properties must be changed.

As a result, the applicant is requesting approval to amend the Land Use Map of the City's General Plan on the single parcel (APN: 8011-012-902) of 3.9± acres, with an address of 13231 Lakeland Road, and located at the northwest corner of Laurel Avenue and Lakeland Road, from the existing General Plan Land Use designation of Industrial to Multiple-Family Residential and also to amend the Land Use Map of the City's General Plan for the three parcels, (APN: 8011-011-906, APN: 8011-011-907 and APN: 8011-011-912), with a total combined area of 32,562 sq. ft. and located at the northeast corner of Laurel Avenue and Lakeland Road, from Single-Family Residential to Multiple-Family Residential.

Concurrently, the applicant is requesting approval of Zone Change Case No. 134, a request to change the existing zoning designation on the 3.93± acre property (APN: 8011-012-902), with an address of 13231 Lakeland Road, and located at the northwest corner of Laurel Avenue and Lakeland Road from M-2-BP, Heavy Manufacturing-Buffer Parking to R-3-PD, Multiple-Family Residential-Planned Development, and also to change the zoning designation of the three parcels (APN: 8011-011-906, APN: 8011-011-907, APN: 8011-011-912) at the northeast corner of Laurel Avenue and Lakeland Road, with a total combined area of 32,562 sq. ft. from A-1, Light Agricultural to R-3-PD, Multiple-Family Residential-Planned Development. The Planned Development Overlay zone will allow for flexibility and deviation from certain requirements of the underlying zone designation.

Upon approval and adoption of the proposed General Plan Amendment and Change of Zone, the new General Plan Land Use designation of Multiple-Family Residential, and new zoning designations of R-3-PD, Multiple-Family Residential-Planned Development, will be consistent.

PREVIOUS ACTIONS BY PLANNING COMMISSION

On September 23, 2013, the Planning Commission held a Public Hearing on General Plan Amendment Case No. 25 and Zone Change Case No. 134, and after opening the Public Hearing, listening to a presentation from Staff and receiving comments, the Planning Commission approved the proposed General Plan Amendment and Zone Change with a recommendation that the City Council approve the subject General Plan Amendment and Zone Change. The Commission's

recommendation was embodied in Resolutions 38-2013 and 39-2013, respectively. The Commission also determined that the proposed project was Categorically Exempt from the California Environmental Act (CEQA).

CRITERIA FOR AMENDING THE GENERAL PLAN

Section 65353-65356 of the State Planning, Zoning, and Development Laws set forth the procedures for amending the City’s General Plan. Specifically, the State Planning Laws dictate that at least one Public Hearing shall be conducted on the proposed General Plan Amendment. Other than the Public Hearing requirement, there are no mandatory findings that the Planning Commission must make before recommending approval or denial of a request to amend the City’s General Plan. However, in previous considerations of proposed General Plan Amendments, the Planning Commission has reviewed the request based on the following criteria:

1. That the Amendment will not distort or disturb the harmonious relationships of land use designations shown on the General Plan Map and would not disturb the relationship of the various elements of the General Plan and/or be inconsistent with the goals and policies of the General Plan;
2. That the property involved in the requested Amendment is suitable for the uses permitted in the proposed land use designation; and
3. That the proposed land use designation would not be detrimental to persons or properties in the surrounding area nor to the community in general.

STREETS AND HIGHWAYS

The subject properties are located at the northeast and northwest of Laurel Avenue and Lakeland Road. Both Laurel Avenue and Lakeland Road are designated as “Local” streets within the Circulation Element of the City’s General Plan.

ZONING AND LAND USE

One of the property is zoned M-2-BP, Heavy Manufacturing-Buffer Parking and the other properties are zoned A-1, Light Agricultural. All the properties are vacant and unimproved land. The Zoning, General Plan and Land Use of the surrounding properties for the 3.9± acre property are as follows:

Table I

Direction	Zoning District	General Plan	Land Use
North	M-2, Heavy Manufacturing	Industrial	10905 Laurel Avenue – Key Mechanical Services (commercial mechanical contractor)
South	A1 (County)		13021 Meyer Road – Amelia Mayberry Park, Single-family dwellings
East	A-1, Light Agricultural	Agricultural	Single family dwellings; unimproved land
West	M-2, Heavy Manufacturing	Industrial	13221 Lakeland Road – Advance Microwave Components (fabricator of RF communication components and waveguide components for the communication and satellite industry.)

The Zoning, General Plan and Land Use of the surrounding properties for the three (3) parcels are as follows:

Table II

Direction	Zoning District	General Plan	Land Use
North	A-1, Light Agricultural	Single-Family Residential	Single family dwellings; unimproved land
South	PF-Public Facilities	Public Facilities	13021 Meyer Road – Carmela Elementary School
East	R-3, Multiple Family Residential	Multiple Family Residential	13331 Lakeland Road - Lakeland Manor Apartments (apartments for low-income disabled tenants)
West	M-2, Heavy Manufacturing	Industrial	13231 Lakeland Road –vacant, unimproved land

LEGAL NOTICE OF PUBLIC HEARING

This matter was set for Public Hearing in accordance with the requirements of Sections 65090 et seq and 65854 of the State Planning, Zoning and Development Laws and the requirements of Sections 155.860 through 155.866 of the City's Municipal Code. Legal notice of the Public Hearing for the proposed Zone Change and General Plan Amendment was sent by first class mail to all property owners whose names and addresses appear on the latest County Assessor's Roll within 500 feet of the exterior boundaries of the subject property on September 12, 2013. The legal notice was also posted at Santa Fe Springs City Hall, the City Library, and the City's Town Center on September 12, 2013, and published in a newspaper of general circulation (Whittier Daily News) on September 13, 2013, as required by the State Zoning and Development Laws and by the City's Zoning Ordinance.

ADDITIONAL NOTIFICATION

In addition to the notification as stated above, notification of the proposed Zone Change and General Plan Amendment was sent to the surrounding cities, the uniformed school district within and outside the area covered by the proposed project, and each agency expected to provide water, sewage, streets, roads, or other essential facilities or services to the project. Notification was also mailed to all the owners of the properties that are the subject of the Zone Change and General Plan Amendment.

ENVIRONMENTAL IMPACT ASSESSMENT

Pursuant to Section 15061 (General Rule Provision) of the California Environmental Quality Act (CEQA) this project is Categorically Exempt.

FINDINGS

1. *That the Amendment will not distort or disturb the harmonious relationships of land use designations shown on the General Plan Map and would not disturb the relationship of the various elements of the General Plan.*

The current General Plan land use designation and zoning designation for the single parcel of 3.9 acre is Industrial and M-2-BP, Heavy Manufacturing-Buffer Parking, respectively. The current General Plan land use designation and zoning designation for the three parcels are Agricultural and A-1, Light Agricultural, respectively. If the proposed General Plan Amendment and Zone Change are approved, the General Plan land use designation for all properties will be Multiple-Family Residential and the zoning designation will be R-3-PD, Multiple-Family Residential-Planned Development. This would not be inconsistent with the single family dwellings to the south, north, and east. The proximity of schools and parks to residential development is considered good and desirable planning.

- 2. *That the Amendment would not disturb the relationship of the various elements of the General Plan.*

The General Plan is the *master plan of the city*. The General Plan provides the overall direction for the future development of the City. It is a comprehensive planning document that addresses the many aspects of community life in the City of Santa Fe Springs. It is a long range plan in that it seeks to provide for the needs of the community into the future. The General Plan is also flexible enough to respond to the changing needs and concerns of those who live, work and frequent Santa Fe Springs.

The General Plan consists of seven mandatory elements, including: 1) Land Use; 2) Housing; 3) Open Space; 4) Conservation; 5) Safety; 6) Circulation; and, 7) Noise. There is no evidence to suggest that the proposed General Plan Amendment and associated Zone Change will disturb the relationship between these elements and/or be inconsistent with the goals and policies of the General Plan.

The following table (Table III) illustrates how the proposed Change of Zone will be consistent with the goals and policies of the General Plan.

**Table III
General Plan Consistency Analysis**

<u>Element</u>	<u>Policy</u>	<u>Project Consistency/Comment</u>
<u>Land Use</u>	Encourage and promote owner-occupancy of homes	Consistent: The subject properties will be developed with housing.
	Encourage the grouping of adjoining small or odd shaped parcels in order to create more viable development	Consistent: Multiple Assessor's Parcels will be combined to form one the project site

<u>Housing</u>	Provide adequate sites to facilitate the development of a range of residential development types which fulfill regional housing needs, including low density single family uses, moderate density town homes and higher density apartments and condominiums.	Consistent: The eventual development of the site with affordable housing will help to address the City's housing needs.
	2.3 Continue to provide for flexibility in the density and mix of land uses through the Planned Development overlay, and encourage the development of higher density, affordable housing in this zone.	Consistent: Any proposed residential development on the site could potentially be developed with a density of between 20 to 30 dwelling units per acre. The Planned development Zone would also allow for flexibility in the development standards. All future dwelling would be affordable housing.
<u>Open Space</u>	Promote the development of open space and recreational facilities within commercial, industrial, and residential developments	Consistent: Any future development on the sites would include some area of open space and where feasible, recreational facilities.
<u>Safety</u>	Review all new developments with regards to urban fire risks	Consistent: Any future development of the site with housing will be reviewed for design features to reduce the demand for fire department's services, including fire hydrant placement, emergency access, and the installation of sprinklers within each unit.
<u>Circulation</u>	Minimize pedestrian and vehicular conflicts	Consistent: Any future development of the sites would incorporate meandering sidewalks or sidewalks that will be setback from the curb.

3. *That the property involved in the requested Amendment is suitable for the uses permitted in the proposed land use designation.*

The City's Housing Element has clearly identified the need for additional residential housing and that there is a substantial long term demand for residential development in the City. This is especially important since virtually all of residential areas of the City are fully developed. The City's State mandated 2008-2014 Housing Element identified the sites for rezoning to residential uses and the properties were acquired by Housing Set-Aside funds to be specifically developed with residential uses.

Any analysis of the suitability of housing on the properties should not overlook the benefit of locating housing in proximity to schools (Carmela Elementary School), parks (Amelia Mayberry Park), a commuter rail system (less than 1.5 miles from the site-Santa Fe Springs/Norwalk Metrolink station), and to convenient freeway access (Interstate 5, 405, and 605 Freeways, State Route 91 Freeway).

4. *That the proposed land use designation would not be detrimental to persons or properties in the surrounding area nor to the community in general.*

Changing the land use designation on the subject site would not be detrimental to persons or property in the surrounding area. In fact, the general plan amendment and related project will result in the following benefits: (1) Encourage and promote owner-occupancy of homes; (2) Fulfill regional housing needs as identified by SCAG; (3) Address the housing shortage in the City by potentially adding an

additional 118 units; (4) Promote a job/housing balance by locating attractive housing in proximity to employment centers and to convenient freeway access; and, (5) Provide a project that incorporates high-quality landscaping and aesthetics, creating a more beautiful and livable neighborhood environment.

The existing Agricultural zoning is antiquated. Most of the City's Agricultural zones are located adjacent to the San Gabriel River, within the westerly area of the City. Moreover, the subject Agricultural zone is surrounded by residential uses. Although, the existing A-1 Zone allows for single-family dwellings, it also allows for farms or ranches for orchards, vineyards, tree crops, field crops, and for a maximum of 12 poultry and four adult rabbits on any one lot or parcel. These types of uses would not be compatible with the surrounding residential uses.

STAFF REMARKS

Based on the reasons presented above, Staff believes that General Plan Amendment No. 25, which will change the General Plan land use designation on the single parcel (APN: 8011-012-902) of 3.9± acres, with an address of 13231 Lakeland Road, and located at the northwest corner of Laurel Avenue and Lakeland Road, from the existing land use designation of Industrial to Multiple-Family Residential and also to amend the Land Use Map of the City's General Plan for the three parcels, (APN: 8011-011-906, APN: 8011-011-907 and APN: 8011-011-912), with a total combined area of 32,562 sq. ft. and located at the northeast corner of Laurel Avenue and Lakeland Road, from Single-Family Residential to Multiple-Family Residential, meets and satisfies the criteria for amending a general plan. Additionally, with the associated Zone Change, the land use designation Multiple-Family Residential will be consistent with the zone designation of R-3-PD Multiple-Family Residential-Planned Development.

Moreover, the current land used designation and zoning prevents the properties from being developed with housing. This is despite the fact that the properties were acquired by Housing Set-Aside monies with the primary goal of developing the properties for housing. If approved, the proposed general plan amendment coupled with the concurrent zone change request would facilitate the development of the site with affordable housing.



Thaddeus McCormack
City Manager

Attachments:

1. Location Map - Aerial Photograph
2. Vicinity Map
3. General Plan Map-Existing
4. General Plan Map-Proposed
5. Resolution No. 9428

CITY OF SANTA FE SPRINGS

LOCATION AERIAL

ZONE CHANGE CASE NO. 134 & GENERAL PLAN AMENDMENT CASE NO. 25

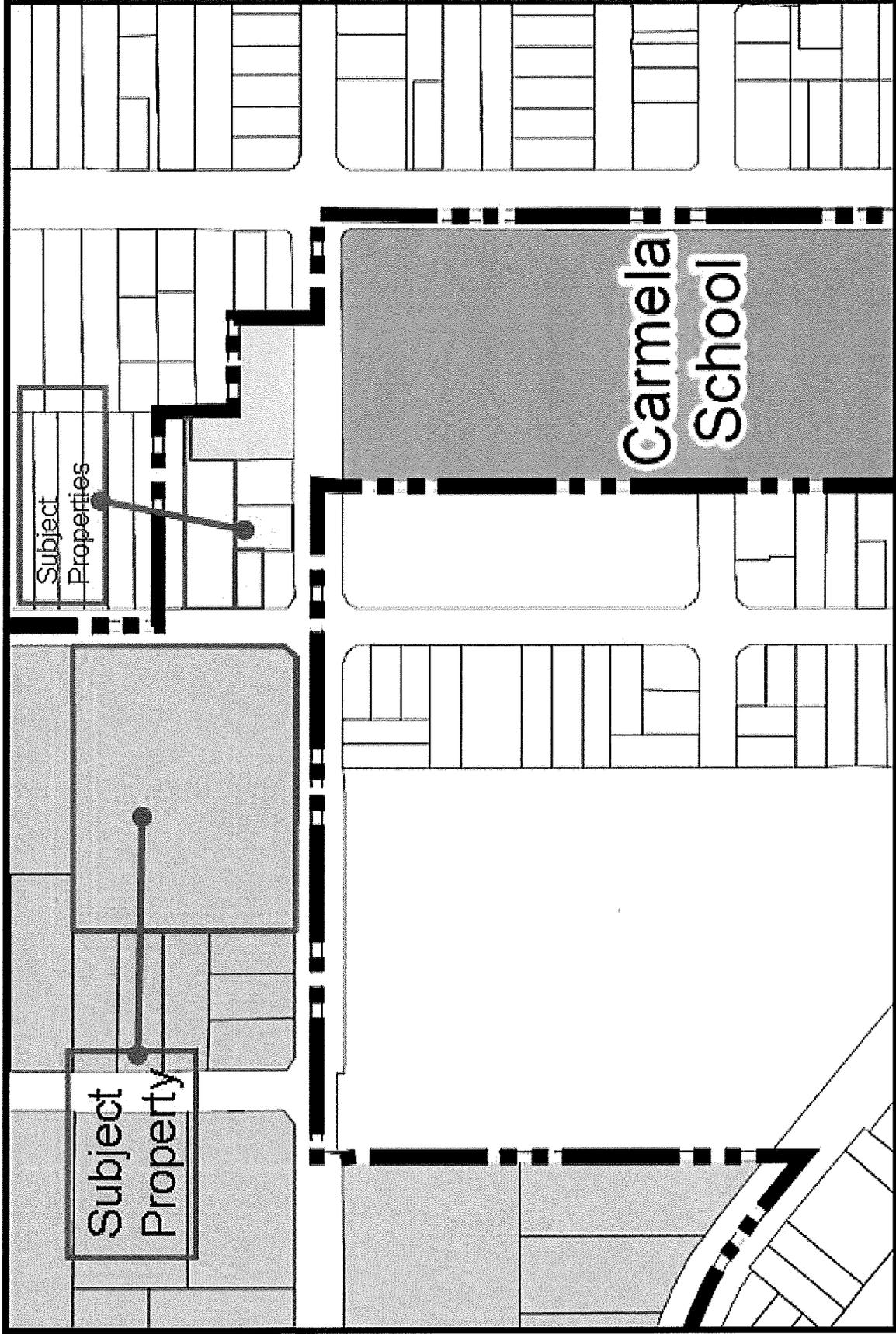


EXHIBIT A, ORDINANCE NO. 1047
ZONE CHANGE CASE NO. 134



VICINITY MAP

EXHIBIT A, RESOLUTION 9428
GENERAL PLAN AMENDMENT CASE NO. 25

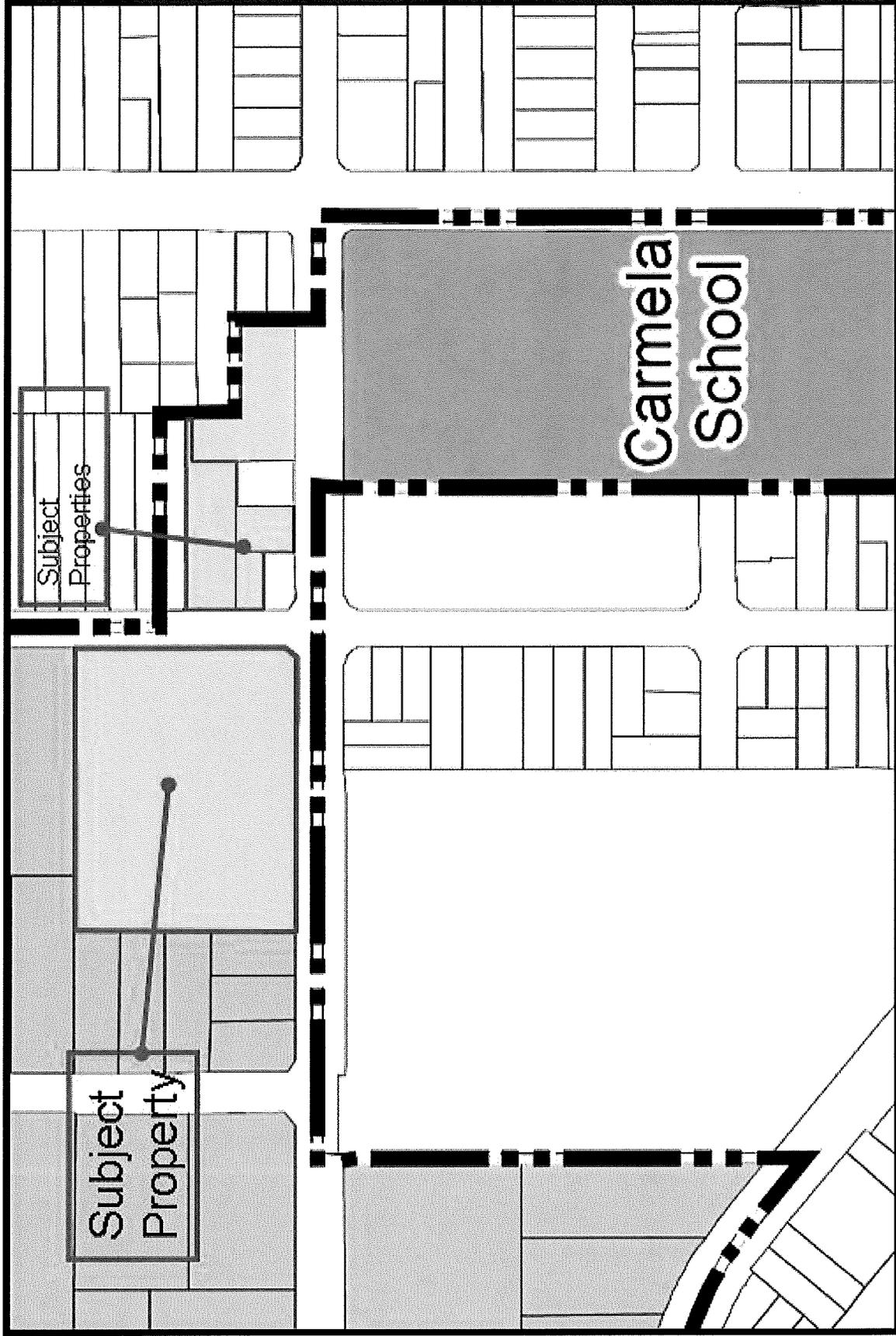


City Boundary

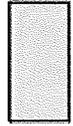
EXISTING GENERAL PLAN LAND USE

- Single Family Residential
- Multiple Family Residential
- Industrial
- Public Facilities

EXHIBIT A, RESOLUTION 9428
GENERAL PLAN AMENDMENT CASE NO. 25



PROPOSED GENERAL PLAN LAND USE  City Boundary

 Multiple Family Residential

RESOLUTION NO. 9428

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS REGARDING AN AMENDMENT TO THE LAND USE MAP TO GENERAL PLAN OF THE CITY OF SANTA FE SPRINGS (GENERAL PLAN AMENDMENT CASE NO. 25)

WHEREAS, an application was filed by for a general plan amendment on a single parcel (APN: 8011-012-902) of 3.9± acres, with an address of 13231 Lakeland Road, and located at the northwest corner of Laurel Avenue and Lakeland Road, from the existing land use designation of Industrial to Multiple-Family Residential and also for a general plan amendment for three parcels, (APN: 8011-011-906, APN: 8011-011-907, APN: 8011-011-912), with a total combined area of 32,562 sq. ft., and located at the northeast corner of Laurel Avenue and Lakeland Road, from Single-Family Residential to Multiple-Family Residential.

WHEREAS, the general plan amendment request was filed concurrently with Zone Change Case No. 134, and

WHEREAS, the Planning Commission, at its meeting of September 23, 2013, held a Public Hearing and studied the matter; and

WHEREAS, notice of the Public Hearing was given as required by law, and

WHEREAS, the Planning Commission considered the testimony received at said Public Hearing and studied the facts and circumstances involved in the request for said General Plan Amendment, and

WHEREAS, the Planning Commission determined that the proposed general plan amendment was Categorically Exempt from the California Environmental Quality Act (CEQA), and

WHEREAS, the Planning Commission at said Public Hearing made a recommendation that the City Council approve General Plan Amendment No. 25. NOW, THEREFORE, IT BE RESOLVED THAT THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES HEREBY RESOLVE, DETERMINE, AND ORDERS AS FOLLOWS:

SECTION I. The City Council hereby adopts General Plan Amendment No. 25, an amendment to the Land Use Map of the City's adopted General Plan, changing the land use designation on the General Plan Map from "Industrial" and also from "Single-Family Residential" to "Multiple-Family Residential" land use as shown on the map labeled Exhibit A, attached hereto and made part of this Resolution, and hereby instructs the Mayor and City Clerk to certify that said map has been properly adopted by the City Council of the City of Santa Fe Springs.

PASSED and ADOPTED this ____ day of September, 2013 by the following roll call vote:

AYES:

NOES:

ABSENT:

Richard J. Moore, MAYOR

ATTEST:

Anita Jimenez, DEPUTY CITY CLERK



PUBLIC HEARING

Overview on the 2014-2021 Housing Element Update

RECOMMENDATION

1. That the City Council hear an overview from Karen Warner, the consultant retained by the City to prepare the 2014-2021 Housing Element Update; and
2. That the City Council provide staff with feedback and policy direction on issues related to the 2014-2021 Housing Element Update.

BACKGROUND

The current 2008-2014 Housing Element is required by State Law to be updated by February 12, 2014. At its meeting of December 20, 2012, the City Council approved a contract with Karen Warner and Associates to perform the 2014-2021 Housing Element Update.

The subject presentation is intended to inform the City Council of progress already made to update the Housing Element, and of the schedule ahead leading to local adoption and State certification. This presentation will also seek direction from the Council on certain policy-related issues related to the Housing Element Update. For instance, Ms. Warner will review the City's Regional Housing Needs Allocation, the affordable housing land inventory and the homeless and emergency shelter requirements. Satisfying these requirements will necessitate Council input and direction to ensure that these requirements are met in a manner that is consistent with local desires and that satisfies State expectations.

As required by State law, a Notice of Public Hearing was published in the Whittier Daily News on Thursday, September 12, 2013, to advise the public of the date, time and location that the City Council and Planning Commission will conduct a Public Hearing on the proposed revisions to the Housing Element of the City General Plan. In addition, said Notice was also posted at Santa Fe Springs City Hall, the Planning Counter, the City Library, and the City's Town Center Kiosk on September 12, 2013.

A handwritten signature in cursive script that reads "Thaddeus McCormack for".

Thaddeus McCormack
City Manager



NEW BUSINESS

Resolution No. 9427– Establishing the City’s Maximum Contribution to the Public Employees’ Retirement System for Tier 1 Safety and Miscellaneous Employees’ Medical Coverage

RECOMMENDATION

That the City Council adopt Resolution No. 9427, which establishes the City’s maximum share of contributions to the Public Employees’ Retirement System for safety and miscellaneous employees medical coverage.

BACKGROUND

As agreed upon in the current Tier 1 employee’s Memoranda of Understanding with both safety and miscellaneous employees, the City will increase the maximum benefit for medical coverage under the PERS Health Benefits Program by the same percentage as the cost-of-living percentage determined by the March to March Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles/Riverside/Orange County Areas. Tier 1 employees are defined as those hired prior to November 19, 2012.

The CPI for this period is 1.3%, and Government Code Section 22892 requires that a resolution be adopted fixing this maximum amount for medical coverage. The City’s maximum per month for medical coverage will, therefore, be increased from \$1358.56 to \$1376.22, effective January 1, 2014.

A handwritten signature in cursive script that reads "Thaddeus McCormack for".

Thaddeus McCormack
City Manager

Attachment:
Resolution No. 9427

RESOLUTION NO. 9427

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SANTA FE SPRINGS FIXING THE EMPLOYER'S
CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL
AND HOSPITAL CARE ACT**

WHEREAS, Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b) of the Act; and

WHEREAS, the City of Santa Fe Springs is a local agency contracting under the Act; now, therefore be it

RESOLVED, that the employer's contribution for each Tier 1 employee or annuitant shall be the amount necessary to pay the cost of his/her enrollment, including the enrollment of his/her family members, in a health benefit plan, up to a maximum of \$1376.22 per month, plus administrative fees and Contingency Reserve Fund Assessments; and be it further

RESOLVED, that the City of Santa Fe Springs has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above.

Adopted at a regular meeting of the City Council of the City of Santa Fe Springs this 26th day of September, 2013 by the following roll call vote:

Ayes:
Noes:
Absent:
Abstain:

Signed:

Richard J. Moore, Mayor

Attest:

Anita Jimenez, CMC, Deputy City Clerk



City of Santa Fe Springs

City Council Meeting

September 26, 2013

NEW BUSINESS

Interstate 5 Freeway Water Main Relocation for the Alondra Boulevard Segment on Freeway Drive – Award of Contract

RECOMMENDATION

That the City Council take the following actions:

1. Reject the bid submitted by J.A. Salazar Construction & Supply Corp. on the grounds that they are non-responsive to the Contract Specifications;
2. Accept the other three bids; and
3. Award a contract to the second low bidder, GRF Co., Inc., of Moreno Valley, California, in the amount of \$297,585.00.

BACKGROUND

The City Council, at their meeting of August 8, 2013 authorized the City Engineer to advertise for construction bids for the subject project.

Bids were opened on September 10, 2013 and a total of four (4) bids were received. The apparent low bidder for the project was J. A. Salazar Construction & Supply Corp., of La Habra, California (J. A. Salazar).

Rejection of Non-Responsive Bid

Staff reviewed J. A. Salazar's bid and conducted several phone discussions and provided written correspondence with them. Based on this investigation, it was determined by J.A. Salazar, that their bid contained an error. J.A. Salazar formally requested the retraction of their bid via a letter dated September 17, 2013 (see attached). Their bid contained an error in the estimating process that does not cover the actual cost of materials to complete the project. Staff recommends that the bid submitted by J. A. Salazar be rejected and deemed non-responsive.

Award of Contract

Staff recommends awarding the project to the second low bidder, GRF Co., Inc., of Moreno Valley, in the amount of \$297,585.00. The following represents the bids received and the amount of each bid:

<u>Company Name</u>	<u>Bid Amount</u>
J. A. Salazar Construction & Supply Corp.	\$175,626*
GRF Co., Inc.	\$297,585
BALI Construction, Inc.	\$298,393
E.A.R. Engineering Construction & Support Services	\$388,405

A handwritten signature in black ink, appearing to be 'N' or 'M'.

Report Submitted By:

Noe Negrete, Director
Public Works

Date of Report: September 17, 2013

*Bid is considered non-responsive.

The bid submitted by GRF Co., Inc., is approximately 4.7% below the Engineer's construction cost estimate of \$312,175.

Staff has reviewed the bids and has determined the low bid submitted by GRF Co., Inc., to be satisfactory.

Water main relocation work in this contract includes furnishing and installing 12-inch ductile iron pipe, trenching, and pipe installation operations, and furnishing and installing fittings, valves, blow off assemblies and appurtenances within the vicinity of Freeway Drive and Alondra Boulevard. This project will relocate approximately 1,000 feet of city water mains.

Relocation of the water main supports the State's larger Interstate 5 Freeway Widening Project.

FISCAL IMPACT

The City of Santa Fe Springs will be reimbursed up to a maximum of \$944,000 for work to be done. Should it later be determined that the final cost of the work will exceed that amount, the agreement with the State can be amended to cover the updated cost.

INFRASTRUCTURE IMPACT

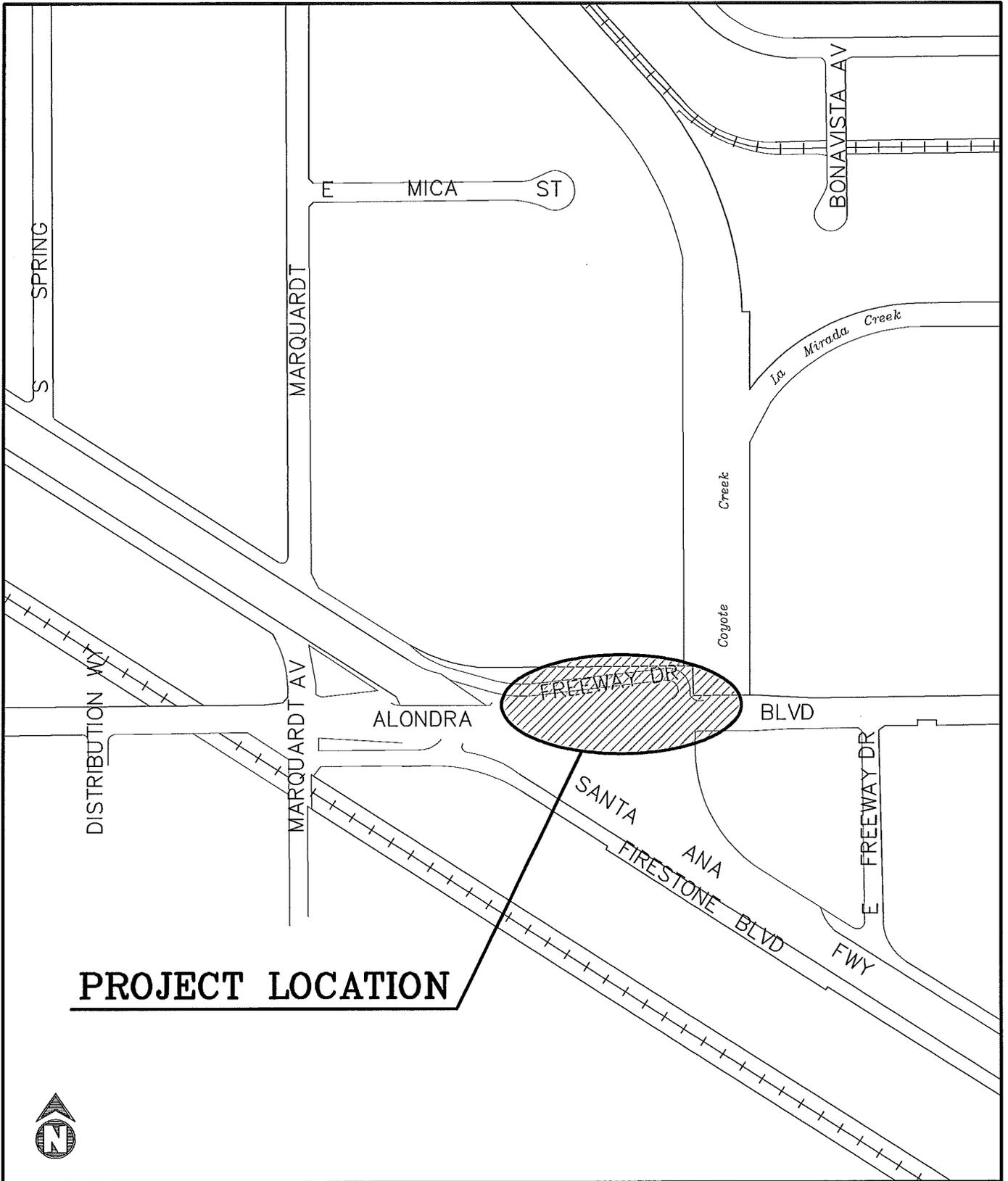
The water main relocation work will accommodate the State's I-5 widening project, and provide City water facilities that meet current standards.



Thaddeus McCormack
City Manager

Attachments:

1. Location Map
2. Letter from J. A Salazar dated September 17, 2013



PROJECT LOCATION

INTERSTATE 5 FREEWAY WATER MAIN RELOCATION
FOR THE ALONDRA BLVD. SEGMENT ON FREEWAY DR.

J.A. SALAZAR CONSTRUCTION & SUPPLY CORP

GENERAL ENGINEERING CONTRACTOR

License No. 743587 A, C34

613 N. Harbor Blvd

La Habra CA 90631

Tel (562) 691-3647 ~ Fax (562) 691-1092

Release from Project

September 17, 2013

Mr. Noe Negrete
Director of Public Works
City of Santa Fe Springs

Reference: I-5 Water Main Relocation for the Alondra Boulevard Segment on Freeway Dr.

Due to an error in the estimating process we respectfully would like to withdraw our bid from this project. The error was made by inputting the bare cost of the material including pipe and appurtenances. The number that was entered into our bid program was \$27,000 instead of \$72,000 therefore making the cost of material \$45,000 less than actual cost.

Please contact me if you have any questions, thank you.

Sincerely,



Jose Salazar
President



City of Santa Fe Springs

City Council Meeting

September 26, 2013

NEW BUSINESS

Approval of Parcel Map No. 71454 - Northwest Corner of Greenleaf Avenue and Los Nietos Road

RECOMMENDATION

That the City Council take the following actions:

1. Approve Parcel Map No. 71454;
2. Find that Parcel Map No. 71454 is consistent with the City's General Plans; and
3. Authorize the City Engineer and City Clerk to sign Parcel Map No. 71454.

BACKGROUND

The subdivision consists of one lot: APN: 8167-002-049 with an address of 9951 Greenleaf Avenue and located at the northwest corner of Greenleaf Avenue and Los Nietos Road. The parcel consists of approximately 3.87 acres and will be split into two separate parcels measuring 1.74 acres (Parcel A) and 2.13 acres (Parcel B). The property is located within the M-2, Heavy Manufacturing Zone. The property has a General Plan Land Use designation of Industrial.

A Parcel Map is required to subdivide the existing lot into two Parcels. The Planning Commission approved the tentative parcel map at their meeting on June 11, 2012. A full-sized copy of the parcel map is available in the office of the City Clerk.

FISCAL IMPACT

None.

INFRASTRUCTURE IMPACT

None.

A handwritten signature in cursive script, appearing to read "Thaddeus McCormick for".

Thaddeus McCormick
City Manager

Attachment(s):

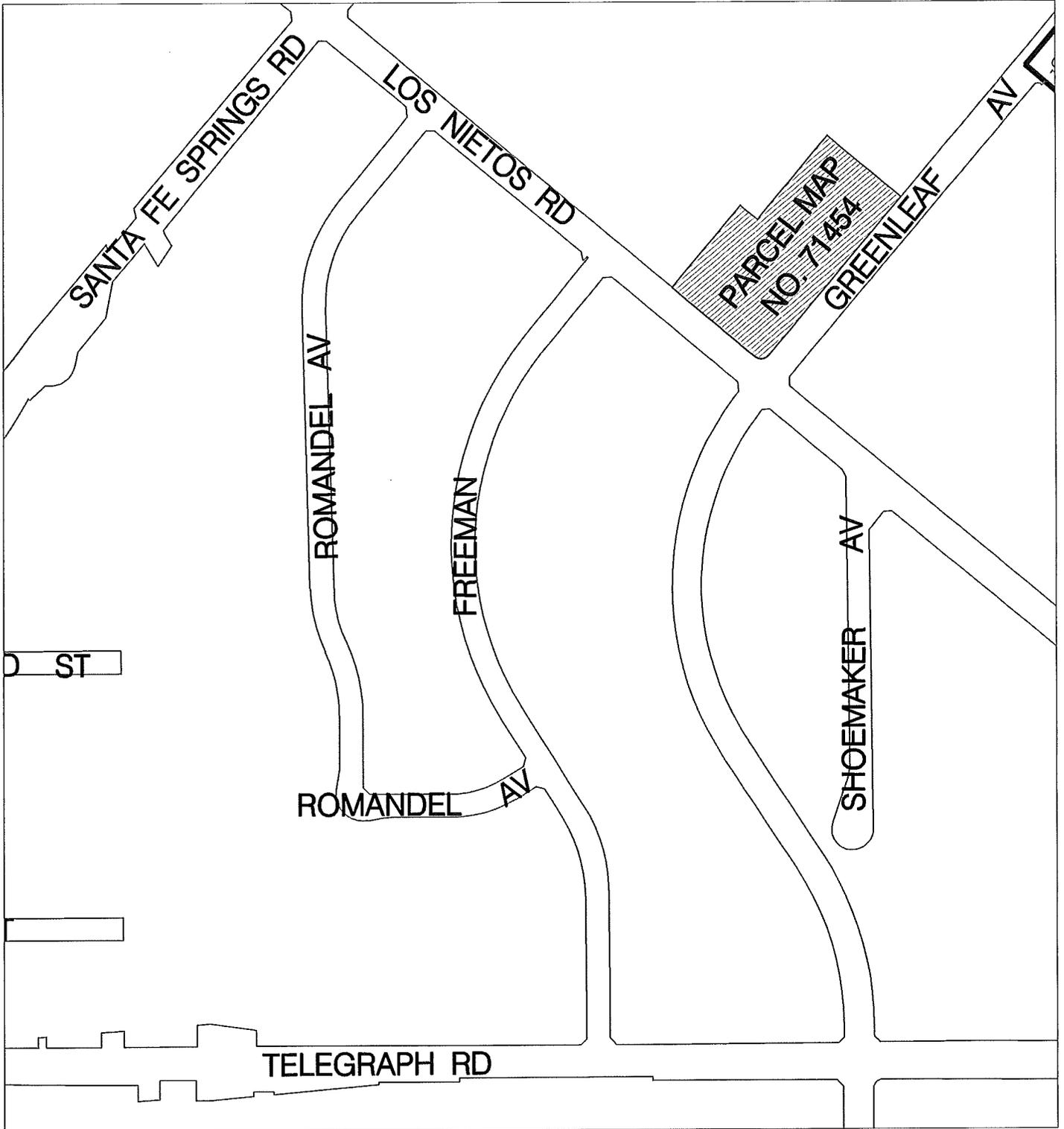
1. Location Map

Report Submitted By:

Noe Negrete, Director
Department of Public Works

Handwritten initials, possibly "MN", in cursive.

Date of Report: September 19, 2013



LOCATION MAP





PRESENTATION

Introduction of the 2013 Ringside World Championship Boxers

RECOMMENDATION

The Mayor may wish to call upon Community Services Supervisor Michelle Smith, to assist with the presentation.

BACKGROUND

During the week of July 29 - August 3, Boxing Coach Danny Zamora escorted three boxers: Ruben Torres, George Acosta, and Victor Vela to Independence, Missouri, to compete in the Ringside World Championship Tournament. This tournament is the largest amateur Boxing Tournament in the world.

Each boxer is a participant in the City's Boxing Program. Ruben Torres joined the program when he was 9 years old and Victor Vela joined the program when he was 11 years old. George Acosta has been participating in the program for the last year and a half.

All three boxers placed in the Tournament and their accomplishments include the following:

George Acosta won the Championship Title for the 132 lbs. weight: 15-16 age group;

Ruben Torres won the Championship Title for the 138 lbs. weight: 15-16 age group;

Victor Vela placed 3rd for the 123 lbs. weight: 17-18 age group.

The City Council would like to recognize Boxing Coach Danny Zamora and the boxers for their exemplary boxing abilities and accomplishments.

A handwritten signature in cursive script, appearing to read "Thaddeus McCormack".

Thaddeus McCormack
City Manager



APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

Committee	Vacancy	Councilmember
Beautification	3	González
Beautification	1	Moore
Beautification	2	Rios
Community Program	2	Moore
Community Program	2	Rios
Community Program	3	Rounds
Community Program	5	Trujillo
Family & Human Services	1	Trujillo
Historical	1	Moore
Historical	2	Rios
Historical	2	Rounds
Historical	3	Trujillo
Parks & Recreation	1	González
Parks & Recreation	1	Moore
Parks & Recreation	1	Rios
Senior Citizens Advisory	1	González
Senior Citizens Advisory	1	Rios
Senior Citizens Advisory	2	Rounds
Senior Citizens Advisory	3	Trujillo
Sister City	1	Moore
Sister City	1	Rios
Sister City	2	Rounds
Sister City	1	Trujillo
Youth Leadership Committee	3	Moore
Youth Leadership Committee	1	Rounds
Youth Leadership Committee	2	Trujillo

Recent Activity: Francine Rippy resigned from the Historical Committee. Rosalie Miller and Lynda Short resigned from the Community Program Committee.

Anita Jimenez for Thaddeus McCormack City Manager

Attachments: Committee Lists Prospective Member List

Prospective Members for Various Committees/Commissions

Beautification

Community Program

Family & Human Services

Heritage Arts

Historical

Personnel Advisory Board

Parks & Recreation

Planning Commission

Senior Citizens Advisory

Sister City

Traffic Commission

Youth Leadership

BEAUTIFICATION COMMITTEE

Meets the fourth Wednesday of each month, except July, Aug, Dec.
9:30 a.m., Town Center Hall

Membership: 25

APPOINTED BY	NAME	TERM EXPIRATION YR.
Gonzalez	Vacant	(14)
	Irene Pasillas	(14)
	Vacant	(14)
	May Sharp	(15)
	Vacant	(15)
Moore	Juliet Ray	(14)
	Paula Minnehan	(14)
	Annie Petris	(15)
	Guadalupe Placensia	(15)
	Vacant	(15)
Rios	Mary Reed	(14)
	Charlotte Zevallos	(14)
	Vacant	(14)
	Vada Conrad	(15)
	Vacant	(15)
Rounds	Sadie Calderon	(14)
	Rita Argott	(14)
	Mary Arias	(15)
	Marlene Vernava*	(15)
	Debra Cabrera	(15)
Trujillo	Mary Jo Haller	(14)
	Eleanor Connelly	(14)
	Margaret Bustos*	(14)
	Rosalie Miller	(15)
	A.J. Hayes	(15)

**Asterisk indicates person currently serves on three committees*

COMMUNITY PROGRAM COMMITTEE

Meets the third Wednesday in Jan., May, and Sept., at 7:00 p.m., in City Hall.

Membership: 25

APPOINTED BY	NAME	TERM EXPIRATION YR.
Gonzalez	Jeanne Teran	(14)
	Miguel Estevez	(14)
	Kim Mette	(14)
	Cecilia Leader	(15)
	Frank Leader	(15)
Moore	Vacant	(14)
	Margaret Palomino	(14)
	Mary Jo Haller	(15)
	Vacant	(15)
	Bryan Collins	(15)
Rios	Francis Carbajal	(14)
	Mary Anderson	(15)
	Dolores H. Romero*	(15)
	Vacant	(14)
	Vacant	(15)
Rounds	Mark Scoggins*	(14)
	Marlene Vernava*	(14)
	Vacant	(14)
	Vacant	(15)
	Vacant	(15)
Trujillo	Vacant	(14)
	Vacant	(14)
	Vacant	(14)
	Vacant	(15)
	Vacant	(15)

**Asterisk indicates person currently serves on three committees*

FAMILY & HUMAN SERVICES ADVISORY COMMITTEE

Meets the third Wednesday of the month, except Jul., Aug., Sept., and Dec., at 5:30 p.m., Gus Velasco Neighborhood Center

Membership: 15 Residents Appointed by City Council

5 Social Service Agency Representatives Appointed by the Committee

APPOINTED BY	NAME	TERM EXPIRATION YR.
Gonzalez	Mercedes Diaz	(14)
	Josephine Santa-Anna	(14)
	Angelica Miranda	(15)
Moore	Arcelia Miranda	(14)
	Martha Villanueva	(15)
	Margaret Bustos*	(15)
Rios	Lydia Gonzales	(14)
	Manny Zevallos*	(15)
	Gilbert Aguirre*	(15)
Rounds	Annette Rodriguez	(14)
	Janie Aguirre*	(15)
	Ted Radoumis	(15)
Trujillo	Dolores H. Romero*	(14)
	Gloria Duran*	(14)
	Vacant	(15)

Organizational Representatives: Nancy Stowe
 Evelyn Castro-Guillen
 Elvia Torres
 (SPIRITT Family Services)

**Asterisk indicates person currently serves on three committees*

HERITAGE ARTS ADVISORY COMMITTEE

Meets the Last Tuesday of the month, except Dec., at 9:00 a.m., at the Gus Velasco Neighborhood Center Room 1

Membership: 9 Voting Members
6 Non-Voting Members

APPOINTED BY	NAME	TERM EXP.
Gonzalez	Gloria Duran*	6/30/2014
Moore	May Sharp	6/30/2014
Rios	Paula Minnehan	6/30/2014
Rounds	A.J. Hayes	6/30/2014
Trujillo	Amparo Oblea	6/30/2014

Committee Representatives

Beautification Committee	Marlene Vernava*	6/30/2015
Historical Committee	Larry Oblea	6/30/2015
Planning Commission	Manuel Zevallos*	6/30/2015
Chamber of Commerce	Tom Summerfield	6/30/2015

Council/Staff Representatives

Council	Richard Moore
Council Alternate	Laurie Rios
City Manager	Thaddeus McCormack
Director of Community Services	Maricela Balderas
Director of Planning	Wayne Morrell

**Asterisk indicates person currently serves on three committees*

HISTORICAL COMMITTEE

Meets Quarterly - The 2nd Tuesday of Jan. and the 1st Tuesday of April, July, and Oct., at 5:30 p.m., Carraige Barn

Membership: 20

APPOINTED BY	NAME	TERM EXPIRATION YR.
Gonzalez	Ed Duran	(14)
	Gilbert Aguirre*	(15)
	Janie Aguirre*	(15)
	Sally Gaitan	(15)
Moore	Astrid Gonzalez	(14)
	Tony Reyes	(14)
	Amparo Oblea	(15)
	Vacant	(15)
Rios	Vacant	(14)
	Hilda Zamora	(14)
	Vacant	(15)
	Larry Oblea	(15)
Rounds	Vacant	(14)
	Vacant	(14)
	Mark Scoggins*	(15)
	Janice Smith	(15)
Trujillo	Vacant	(14)
	Vacant	(14)
	Merrie Hathaway	(15)
	Vacant	(15)

**Asterisk indicates person currently serves on three committees*

PARKS & RECREATION ADVISORY COMMITTEE

Meets the First Wednesday of the month, except Jul., Aug., and Dec., 7:00 p.m., Council Chambers.

Subcommittee Meets at 6:00 p.m., Council Chambers

Membership: 25

APPOINTED BY	NAME	TERM EXPIRATION YR.
Gonzalez	Jennie Carlos	(14)
	Frank Leader	(14)
	Brandy Ordway-Roach	(15)
	Raul Miranda, Jr.	(14)
	Vacant	(15)
Moore	Jimmy Mendoza	(14)
	John Salgado	(14)
	Janet Rock	(15)
	Vacant	(15)
	Sheila Archuleta	(15)
Rios	Lynda Short	(14)
	Bernie Landin	(14)
	Vacant	(14)
	Sally Gaitan	(15)
	Fred Earl	(15)
Rounds	Kenneth Arnold	(14)
	Richard Legarreta, Sr.	(14)
	Luigi Trujillo	(14)
	Angelica Miranda	(15)
	Mark Scoggins*	(15)
Trujillo	Miguel Estevez	(14)
	Andrea Lopez	(14)
	A.J. Hayes	(15)
	Jesus Mendoza	(15)
	Arcelia Miranda	(15)

**Asterisk indicates person currently serves on three committees*

PERSONNEL ADVISORY BOARD

Meets Quarterly on an As-Needed Basis

Membership: 5 (2 Appointed by City Council, 1 by Personnel Board, 1 by Firemen's Association, 1 by Employees' Association)

Terms: Four Years

APPOINTED BY	NAME	TERM EXPIRES
Council	Angel Munoz	6/30/2017
	Ron Biggs	6/30/2017
Personnel Advisory Board	Jim Contreras	6/30/2013
Firemen's Association	Jim De Silva	6/30/2017
Employees' Association	Anita Ayala	6/30/2017

PLANNING COMMISSION

Meets the second Monday of every Month at 4:30 p.m.,
Council Chambers

Membership: 5

APPOINTED BY

NAME

Gonzalez

Jaime Velasco

Moore

Manny Zevallos

Rios

Michael Madrigal

Rounds

Susan Johnston

Trujillo

Frank Ybarra

SENIOR CITIZENS ADVISORY COMMITTEE

Meets the Second Tuesday of the month, except Jul., Aug., Sep., and Dec., at 10:00 a.m.,
Gus Velasco Neighborhood Center

Membership: 25

APPOINTED BY	NAME	TERM EXPIRATION YR.
Gonzalez	Gloria Duran*	(14)
	Josephine Santa-Anna	(14)
	Vacant	(15)
	Janie Aguirre*	(15)
	Ed Duran	(15)
Moore	Yoshi Komaki	(14)
	Yoko Nakamura	(14)
	Paul Nakamura	(14)
	Astrid Gonzales	(15)
	Pete Vallejo	(15)
Rios	Vacant	(14)
	Louis Serrano	(14)
	Vacant	(14)
	Amelia Acosta	(15)
	Jessie Serrano	(15)
Rounds	Vacant	(14)
	Vacant	(14)
	Gloria Vasquez	(15)
	Lorena Huitron	(15)
	Berta Sera	(15)
Trujillo	Vacant	(14)
	Vacant	(14)
	Gilbert Aguirre*	(15)
	Margaret Bustos*	(15)
	Vacant	(15)

**Asterisk indicates person currently serves on three committees*

SISTER CITY COMMITTEE

Meets the First Monday of every month, except Dec., at 6:30 p.m., Town Center Hall, Mtg. Room #1. If the regular meeting date falls on a holiday, the meeting is held on the second Monday of the month.

Membership: 25

APPOINTED BY	NAME	TERM EXPIRATION YR.
Gonzalez	Amanda Tomsick	(14)
	Kimberly Mette	(14)
	Jimmy Mendoza	(15)
	Dominique Velasco	(14)
	Lucy Gomez	(15)
Moore	Martha Villanueva	(14)
	Vacant	(14)
	Mary K. Reed	(15)
	Peggy Radoumis	(15)
	Jeannette Wolfe	(15)
Rios	Charlotte Zevallos	(14)
	Francis Carbajal	(14)
	Marlene Vernava*	(15)
	Doris Yarwood	(15)
	Vacant	(15)
Rounds	Manny Zevallos*	(14)
	Susan Johnston	(14)
	Vacant	(14)
	Ted Radoumis	(15)
	Vacant	(15)
Trujillo	Rigo Estrada	(14)
	Andrea Lopez	(14)
	Dolores H. Romero*	(15)
	Marcella Obregon	(15)
	Vacant	(15)

**Asterisk indicates person currently serves on three committees.*

TRAFFIC COMMISSION

Meets the Third Thursday of every month, at 6:00 p.m., Council Chambers

Membership: 5

APPOINTED BY

NAME

Gonzalez

Ruben Madrid

Moore

Lillian Puentes

Rios

Sally Gaitan

Rounds

Ted Radoumis

Trujillo

Greg Berg

YOUTH LEADERSHIP COMMITTEE

Meets the First Monday of every month, at 6:30 p.m., Council Chambers

Membership: 20

APPOINTED BY	NAME	TERM EXPIRATION YR.
Gonzalez	Dominique Walker	()
	Victoria Molina	()
	Felipe Rangel	(14)
	Victor Garza	(14)
Moore	Destiny Cardona	(14)
	Vacant	()
	Vacant	()
	Vacant	()
Rios	Precious Ramirez	(14)
	Danielle Garcia	(14)
	Marisa Gonzalez	(15)
	Joshua Rojo	(14)
Rounds	Gabriel Perez	(16)
	Jesus Ramirez	(14)
	Laurence Ordaz	(16)
	Vacant	()
Trujillo	Paul Legarreta	(17)
	Vacant	()
	Cameron Velasco	(16)
	Vacant	()