DATE: December 29, 2014

TO: City Council

FROM: Daniel Rydberg, Interim Utilities Director

SUBJECT: Full Advanced Treatment Recycled Water Management and Use Agreement No. A-7651

RECOMMENDATION

That City Council approve and authorize the Mayor to execute the Full Advanced Treatment Recycled Water Management and Use Agreement between the City of Oxnard and United Water Conservation District, Pleasant Valley County Water District, Houweling Nurseries, Southland Sod, and Reiter Affiliated Companies (Agreement No. A-7651).

DISCUSSION

The Advanced Water Purification Facility (AWPF) is undergoing its final commissioning process and is anticipated to begin full time operation by Spring 2015. The Phase 1 recycled water (RW) production capacity is 6.25 million gallons per day (mgd) or 7,000 acre-feet per year (AFY). Approximately, 1,500 AFY to 1,800 AFY of this will be delivered directly to existing customers in-lieu of potable water and to the River Ridge Golf Club. The remaining RW will be delivered to agricultural customers and to an aquifer storage and recovery (ASR) well that the City will construct this year. A pipeline is being designed to carry water to the agricultural customers and is anticipated to be completed in late 2017. In the meantime, staff is pursuing temporary use of the Calleguas Mutual Water District (CMWD) Salinity Management Pipeline (SMP). If the State permits this use, the SMP may be used for RW delivery to agricultural customers as soon as Spring 2015.

Future phases of the AWPF may expand its capacity to as much as 25 mgd or 28,000 AFY. Future uses will include: direct delivery to customers in-lieu of potable water, agricultural irrigation, direct and indirect reuse, and groundwater aquifer recharge.

SUMMARY

The Agreement provides for the sale of the full capacity of the Phase 1 GREAT Program. The following is a summary of the key terms of the Agreement.
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A-7651
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<table>
<thead>
<tr>
<th>Issue</th>
<th>Description / Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity</td>
<td>7,000 AFY of RW. Right to additional GREAT Program yield is not covered.</td>
</tr>
<tr>
<td>Allocation of RW</td>
<td>City has exclusive and highest priority rights to 1,800 AFY. The agricultural entities have rights to the remaining yield (5,200 AFY). City’s priority is referred to as Priority 1; the other users’ priorities are referred to as Priority 2-4 (see below).</td>
</tr>
<tr>
<td>Term</td>
<td>10 years, with certain performance based early termination provisions.</td>
</tr>
<tr>
<td>Parties</td>
<td>Initial parties: Pleasant Valley County Water District (PV), United Water Conservation District (UWCD), and three agricultural entities. New parties may be added.</td>
</tr>
<tr>
<td>Priority Between Agricultural Uses</td>
<td>Agricultural users to receive RW subject to a three tier priority system (Priority 2-4). Pricing (see below) is also graduated to reflect the 3 tiers. Priority 2 users pay a higher price in exchange for a reliability commitment. Priority 3 users receive unblended RW on an as available basis. PV and UWCD receive Priority 4 RW into their main distribution systems as end-users of any excess RW beyond that used through Priorities 1-3.</td>
</tr>
<tr>
<td>Pricing</td>
<td>City (Priority 1) recycled water rate is set by the City Municipal Code. Priority 2-4 pricing is set at the Calleguas Tier 2 imported water rate if the City does not receive a right to pump an equivalent amount of groundwater to the RW delivered. If the City receives a 1:1 groundwater pumping allocation, Priority 2-4 rates are set in the Agreement, subject to annual adjustment. See pricing table below.</td>
</tr>
<tr>
<td>Operations</td>
<td>The City will coordinate the management of RW deliveries to agricultural users and ongoing regulatory compliance with PV and/or UWCD.</td>
</tr>
</tbody>
</table>

**RW PRICING SUMMARY**

RW sales price is presented below. All rates are adjusted annually as provided in the Agreement.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>~$1,413/af (based on City Resolution 2859 adjusted for 2015 Calleguas rate increase pass through)</td>
<td>n/a</td>
</tr>
<tr>
<td>2</td>
<td>$1,340 (Calleguas Tier 2 rate)</td>
<td>$650</td>
</tr>
<tr>
<td>3</td>
<td>$1,340 (Calleguas Tier 2 rate)</td>
<td>$500</td>
</tr>
<tr>
<td>4</td>
<td>$1,340 (Calleguas Tier 2 rate)</td>
<td>$325 ($500 minus “management discount” of $175)</td>
</tr>
</tbody>
</table>

**FOX CANYON GROUNDWATER MANAGEMENT AGENCY (GMA) RESOLUTION SUMMARY 2013-02**

The Fox Canyon Groundwater Management Agency (GMA) has already approved Resolution 2013-02, which provides the City with a Recycled Water Pumping Allocation (RWPA) for each AF of RW
delivered to an agricultural user who then reduces its groundwater pumping by an equivalent amount (1:1 RWPA for reduced groundwater pumping because of RW use).

<table>
<thead>
<tr>
<th>Issue</th>
<th>Description / Comments</th>
</tr>
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<tbody>
<tr>
<td>Recycled Water Pumping Allocation</td>
<td>City receives 1:1 RWPA for RW that reduces use of groundwater.</td>
</tr>
<tr>
<td></td>
<td>City receives no RWPA for pumping subject to GMA surcharge. Instead, the City receives payment at the higher price.</td>
</tr>
<tr>
<td>Annual Report</td>
<td>Parties must deliver to GMA annual compliance report (comprehensive) each April.</td>
</tr>
<tr>
<td>Temporary Suspension of RWPA Use</td>
<td>Temporary suspension is based on low Forebay water levels. RWPA accrues until fully used.</td>
</tr>
<tr>
<td></td>
<td>RWPA may be pumped up to maximum of 8,000 AFY.</td>
</tr>
<tr>
<td>Coordination Meetings</td>
<td>Parties meet annually in May to set RWPA levels for coming year.</td>
</tr>
<tr>
<td>Revision to Policy</td>
<td>Minimum 6 months advance notice for any material changes to GMA policy.</td>
</tr>
<tr>
<td>User compliance</td>
<td>All RW users must maintain compliance with GMA.</td>
</tr>
</tbody>
</table>

**AGREEMENT PARTIES**

United Water Conservation District (UWCD) board has approved this agreement pending completion of discussions between UWCD and Pleasant Valley County Water District (PVCWCD) on operational issues involving the two agencies. Participation in the agreement by UWCD will have no immediate effect because a pipeline connecting UWCD system to PVCWCD system will need to be constructed before their system can receive recycled water.

**RECYCLED WATER CONVEYANCE FACILITIES**

The Agreement provides for delivery of RW through either the existing Calleguas Salinity Management Pipeline or a permanent pipeline which the City would construct. The authorization requested in this action does not approve the construction of the permanent pipeline.

**FINANCIAL IMPACT**

The RW rates are structured to recognize the value of groundwater pumping allocations that will accrue to the City in addition to cash payments. Recycled water revenues are estimated to cover operation and maintenance costs. Groundwater pumping allocations will provide a long-term benefit of reduced water purchases in the future to offset the capital costs of the recycled water system.

Attachments
#1 - Agreement No. A-7651
FULL ADVANCED TREATMENT RECYCLED WATER MANAGEMENT AND USE AGREEMENT

CITY OF OXNARD ("City"), UNITED WATER CONSERVATION DISTRICT ("UWCD"), PLEASANT VALLEY COUNTY WATER DISTRICT ("PVCWD"), HOUWELING NURSERIES OXNARD, INC. ("Houweling"), SOUTHLAND SOD ("Southland"), and REITER BROTHERS, INC., SOUTHERN PACIFIC FARMING, INC. and SOUTHERN PACIFIC FARMING II, LLC, (together with their partners and affiliates, collectively hereinafter "Reiter") enter into this Full Advanced Treatment Recycled Water Management and Use Agreement ("Agreement") on this ______ day of _________, 2014, in Ventura County, California.

RECITALS

THIS AGREEMENT is entered into with reference to the following facts:

A. The City is a general law city authorized to provide retail water service pursuant to the California Constitution, Article XI, section 9, and California Government Code section 38730 et seq.

B. UWCD is formed pursuant to the Water Conservation District Law, California Water Code section 74000 et seq. UWCD, among other things, makes groundwater and surface water available to agricultural and municipal and industrial users within its jurisdiction. In part, this water is derived from groundwater wells in the Fox Canyon Groundwater aquifer and surface water supplies obtained from the Santa Clara River.

C. PVCWD is a municipal corporation formed pursuant to the County Water District Law, California Water Code section 30000 et seq. PVCWD is authorized to provide retail water service to approximately ten thousand five hundred (10,550) irrigable acres of agricultural land on the Oxnard Plain. The water supplied by PVCWD is, in part, groundwater extracted from wells drawn from the Fox Canyon Groundwater aquifer and, in part, surface water supplied by UWCD.

D. Houweling owns and operates a commercial agricultural business located in the unincorporated area of Ventura County.

E. Southland owns and operates a commercial agricultural business located in the unincorporated area of Ventura County.

F. Reiter owns and operates a commercial agricultural business located in the unincorporated area of Ventura County.

G. The City has developed a multi-faceted recycled water supply program, referred to as the Groundwater Recovery Enhancement and Treatment Program ("GREAT Program"). The City's GREAT Program produces full advanced treatment recycled water ("FA TW") at its Advanced Water Purification Facility ("AWPF"). The AWPF uses reverse osmosis and advanced oxidation to generate FATW that, in accordance with applicable law, may be purchased by end-users located both within and outside the City's territorial boundaries.
H. The FATW which is the subject matter of this Agreement is that which is to be produced through the first phase of the AWPF facilities ("P1 FATW"). The City projects that approximately 7,000 AFY (acre-feet per year), or 6.25 MGD (million gallons per day), of P1 FATW will be produced.

I. In recognition of the need to protect, conserve and replenish the underground water supplies of the region, the Parties desire to enter into this Agreement providing for the delivery of P1 FATW to the Parties and other future customers located within the groundwater sub-basins in Ventura County, California commonly known as the Oxnard Plain, Forebay and Pleasant Valley.

J. In executing this Agreement, the governing body of PVCWD finds that the Agreement's terms and conditions are necessary and essential to PVCWD carrying out its legislative purpose. Moreover, the governing body of PVCWD finds that it is necessary for PVCWD, UWCD and the City to jointly coordinate and manage the day-to-day delivery of P1 FATW so that PVCWD may, in furtherance of its statutory purpose, accomplish the following: (1) the performance of acts necessary to furnish sufficient water in the PVCWD service area for present or future beneficial use; and, (2) the protection, conservation and replenishment of PVCWD's underground water supplies.

K. In executing this Agreement, the governing body of UWCD finds that the Agreement's terms and conditions are necessary and essential to UWCD carrying out its legislative purpose. Moreover, the governing body of UWCD finds that it is necessary for PVCWD, UWCD and the City to jointly coordinate and manage the day-to-day delivery of P1 FATW so that UWCD may, in furtherance of its statutory purpose, accomplish the following: (1) the performance of acts necessary to furnish sufficient water in the UWCD service area for present or future beneficial use; and, (2) the protection, conservation and replenishment of UWCD's underground water supplies.

L. On June 26, 2013, the Fox Canyon Groundwater Management Agency ("GMA") approved Resolution 2013-02, approving a Recycled Water Management Impact Analysis Plan, granting the City access to Recycled Water Pumping Allocation and adopting a program through which this Agreement may be implemented consistent with the "FATW Management Plan" contemplated in subsection 4.1 below. GMA Resolution 2013-02 and its findings are incorporated herein by this reference.

M. On April 11, 2014, the GMA adopted Emergency Ordinance E ("Ord E"), imposing certain restrictions on groundwater pumping that impact the anticipated implementation of Resolution 2013-02. During the period in which Ord E or other similar restrictions on groundwater pumping are in effect, the City may require modifications to Resolution 2013-02 to meet the requirements of subsection 4.1 below.

N. The GREAT Program Final Environmental Impact Report (SCH #2003011045) assessed the potential environmental impacts associated with this phase of the GREAT Program and the program approved through GMA Resolution 2013-02, and was certified in September 2004, concurrent with the City's approval of the construction of the Phase 1 GREAT Program.

O. The Parties intend that this Agreement shall establish terms and conditions by which:
1. The City will deliver PI FATW to City Customers in lieu of potable water to meet their water demands;

2. The City will deliver PI FATW to the Parties; and,

3. The City, UWCD and PVCWD shall, to the extent permitted by law, jointly coordinate and manage the delivery of PI FATW to the PI FATW Users.

NOW, THEREFORE, THE PARTIES HEREBY MUTUALLY AGREE as follows:

1. Recitals and Exhibits.

1.1 The Recitals set forth above are true and correct and are incorporated in and made a part of this Agreement.

1.2 The following Exhibits are attached to and incorporated in this Agreement:

   1.2.1 Exhibit A: Table of initial allocations of PI FATW among the First, Second, Third and Fourth Priority Users.

   1.2.2 Exhibit B: GMA Resolution 2013-02; “A Resolution Concerning the Implementation of the First Phase of the City of Oxnard’s GREAT Program and the Associated Recycled Water Management Plan.”

2. Purpose. The purpose of this Agreement is to set forth the terms and conditions by which:

   2.1 The Parties will utilize the SMP, to the extent feasible, to obtain delivery of PI FATW;

   2.2 Subject to the conditions and exceptions noted herein, the City will construct the PI FATW Facilities necessary to sell and deliver PI FATW to the Parties;

   2.3 The City will deliver PI FATW to City Customers, as well as the Parties; and

   2.4 The City, UWCD and PVCWD will, to the fullest extent permitted by law, jointly coordinate and manage the delivery of PI FATW to FATW Users.

3. Definitions. This Agreement refers to the following terms:

   3.1 “Annual Capacity” shall mean the estimated annual production capability, expressed in AFY, of the PI FATW Facilities as further defined in section 8.2 below.

   3.2 “AF” shall mean acre-feet; “AFY” shall mean acre-feet per year.

   3.3 “AWPF” shall mean the City’s Advanced Water Purification Facility.
3.4 "Calleguas Municipal Water District" or "Calleguas" shall mean the municipal water district organized under the Municipal Water District Act of 1911 of the State of California. Calleguas is a member agency of the Metropolitan Water District of Southern California ("MWD"). Calleguas provides wholesale potable water service to the City, primarily selling water imported from outside the region. Calleguas owns and operates its water distribution system in Ventura County, and the SMP (defined below).

3.5 "Calleguas Wheeling Charge" shall mean the per acre-foot fee or charge Calleguas will impose on the City for use of the SMP for delivery of FATW to FATW Users.

3.6 "CEQA" shall mean the California Environmental Quality Act, Public Resources Code section 21000 et seq.

3.7 "City Customers" shall mean those persons or entities receiving potable water service directly from the City for uses other than commercial agriculture and who use PI FATW to offset a portion of that potable water supply. City Customers do not include FATW Users, irrespective of whether they had or continue to receive potable water service from the City.

3.8 "City Use" shall mean the amount of PI FATW required to serve City Customers in lieu of the use of the City's potable water.

3.9 "DPH" shall mean the California Department of Public Health, one of the entities with regulatory oversight and permit authority over the use and disposition of FATW.

3.10 "Effective Date" shall mean the date upon which the City provides written notice to the Parties that the conditions precedent set forth in section 4 below have been satisfied or waived.

3.11 "FATW" shall mean Full Advanced Treatment Recycled Water; FATW is tertiary treated recycled water that is subject to advance treatment by reverse osmosis, advanced oxidation and ultra-violet light.

3.12 "FATW User(s), or P1 FATW User(s)" shall mean any person or entity that uses P1 FATW for commercial agricultural use, whether directly as a Party, or indirectly through receipt of water service from UWCD or PVCWD, or as a lessee, tenant, or renting entity of a Party or property receiving P1 FATW. City Customers are not considered FATW Users for the purpose of this definition. By entering into this Agreement, UWCD, PVCWD, Houweling, Southland and Reiter, as well as the PVCWD and UWCD customers who receive P1 FATW are the initial P1 FATW Users.

3.13 "First Priority Use" shall mean the allocation and use of P1 FATW as set forth in section 8.3 below.

3.14 "First Priority User(s)" shall mean City Customers who purchase P1 FATW from the City for First Priority Use.
3.15 "Fourth Priority Use" shall mean the allocation and use of P1 FATW as set forth in section 8.6 below.

3.16 "Fourth Priority User(s)" shall mean FATW Users who have contracted to purchase, in accordance with the terms and conditions of this Agreement, P1 FATW for Fourth Priority Use.

3.17 "GMA" means the Fox Canyon Groundwater Management Agency, established pursuant to Water Code Appendix, Chapter 121.

3.18 "Houweling Facilities" shall mean nursery, greenhouse and other agricultural production facilities owned, leased or otherwise operated by Houweling in the unincorporated area of Ventura County, California, at 645 Laguna Road (Ventura County assessor parcel number 230-0-071-135), at which P1 FATW will be put to reasonable and beneficial use. The Houweling Facilities are located within PVCWD's service area. Absent any other source of water for its operations, the Houweling Facilities rely on groundwater extracted from Houweling's own wells or water delivered by PVCWD.

3.19 "Houweling POD" shall mean the POD (defined below) to the Houweling Facilities.

3.20 "Minimum Second Priority Use Commitment" shall mean the commitment to purchase a certain quantity of Second Priority Use FATW as defined in section 8.4 below.

3.21 "Oxnard Plain" shall mean the region of the coastal valleys and plains of the Santa Clara River and Calleguas Creek watersheds in Ventura County, California, that overlies the Oxnard Plain, Forebay and Pleasant Valley groundwater subbasins as identified and described by the GMA.

3.22 "P1" shall mean the first phase of the AWPF and associated City-owned facilities that are designed and constructed to produce up to 7000 AFY, or 6.25 MGD, of FATW.

3.23 "P1 FATW" shall mean any FATW produced by P1 FATW Facilities.

3.24 "P1 FATW Facilities" shall mean the recycled water delivery system consisting of pipelines and related appurtenances required for the delivery of P1 FATW to the Parties, including, without limitation, PODs as defined in subsection 3.28 below. The P1 FATW Facilities are anticipated to extend along East Hueneme Road from the pipeline endpoint of the AWPF at the City-limits, then eastward along E. Hueneme Road to Wood Road, then north along Wood Road to Laguna Road, then east along Laguna Road and shall terminate at the PVCWD POD located at or near the intersection of Las Posas Road and Laguna Road. An additional extension of the P1 FATW Facilities will extend north from E. Hueneme Road, to a connection with the Pumping Trough Pipeline west of the intersection of Etting and Nauman Roads, along Etting Road (the UWCD POD). The P1 FATW Facilities may include POD connections to additional Parties along
the alignment described above, which connections shall be constructed in accordance with the terms and conditions set forth in this Agreement, including, without limitation, those terms and conditions set forth in section 26 below. The City and UWCD may elect to establish an additional POD in the Forebay as described in 5.4.2 below.

3.25 “Party(ies)” shall mean the City and FATW Users who hold a contract to receive PI FATW through the PI FATW Facilities, who are collectively referred to as the Parties, and individually, as a Party. Initially, the Parties include the City, UWCD, PVCWD, Houweling, Southland, and Reiter. As each new FATW User is added, that entity shall be a Party. The terms Parties does not refer to City Customers who receive FATW through City water service, UWCD customers who receive FATW through UWCD water service, nor PVCWD customers who receive FATW as a customer of PVCWD.

3.26 “Peak Capacity” shall mean the volumetric flow production capacity of the PI FATW Facilities, expressed in gallons per minute, as further provided in section 8.2 below.

3.27 “Peak Capacity Reservation” shall mean the allocation of Second Priority Use as defined in section 8.4 below.

3.28 “POD” shall mean the point of delivery through which each Party receives PI FATW through the PI FATW Facilities. Each POD shall include valves, meter, backflow prevention, pressure control device and any other facilities that may be necessary to connect the PI FATW Facilities properly to each Party’s facilities. Absent an extraordinary circumstance, PODs shall be located at the edge of the Party’s property line, in the public right-of-way.

3.29 “PTP” and “PTP Facilities” shall mean the Pumping Trough Pipeline, and related piping and associated facilities owned, leased or otherwise operated by United to provide water service to United’s PTP customers.

3.30 “PVCWD Facilities” shall mean the reservoirs, piping, and associated facilities owned, leased or otherwise operated by PVCWD to provide water service to its customers.

3.31 “PVCWD POD(s)” shall mean the point where the PI FATW Facilities enter PVCWD’s service area at or near the intersection of Wood Road and Hueneme Road and/or the point at which the PI FATW Facilities connect to PVCWD’s existing delivery system at or near the intersection of Las Posas Road and Laguna Road.

3.32 “Reiter Facilities” shall mean agricultural production facilities owned, leased or otherwise operated by Reiter in the unincorporated area of Ventura County at which PI FATW will be put to reasonable and beneficial use. Depending on their location, Reiter Facilities rely on groundwater extracted from Reiter’s own wells, water delivered to Reiter by PVCWD, or by UWCD. Consistent with Section 4.2 below, prior to the Effective Date, the City and Reiter shall designate in writing signed by both the two entities the Reiter Facilities to be served under this Agreement.
3.33 "Reiter POD(s)" shall mean the POD(s) to the Reiter Facilities.

3.34 "RWQCB" shall mean the Los Angeles Regional Water Quality Control Board, one of the entities with regulatory oversight and permit authority over the use and disposition of FATW.

3.35 "Salinity Management Pipeline," or "SMP" shall mean the Calleguas pipeline ultimately intended to dispose of brine wastes from various locations in Ventura County to the Pacific Ocean. The Parties and Calleguas may use the SMP for a temporary period to deliver P1 FATW to some or all the FATW Users.

3.36 "Second Priority Use" shall mean the allocation and use of P1 FATW as set forth in section 8.4 below.

3.37 "Second Priority User(s)" shall mean Parties who have contracted to purchase, in accordance with the terms and conditions of this Agreement, P1 FATW for Second Priority Use.

3.38 "SMP POC(s)" shall mean the point of connection for each Party through which that Party obtains P1 FATW through the SMP.

3.39 "SMP Agreement" shall mean an agreement between the City and Calleguas for the use of the SMP to deliver P1 FATW to all or some of the Parties. The SMP Agreement shall include provision for the cost of each SMP POC, the Calleguas Wheeling Charge, and provision of advance notice of any planned discharges into the SMP beyond those occurring on the date at which the P1 FATW is introduced into the SMP. The City shall make every reasonable effort to include in the SMP Agreement a maximum period for advance notice of new discharges into the SMP.

3.40 "Southland Facilities" shall mean agricultural production facilities owned, leased, or otherwise operated by Southland in the unincorporated area of Ventura County at which P1 FATW will be put to reasonable and beneficial use. The Southland Facilities rely on groundwater extracted from Southland's own wells. Consistent with Section 4.2 below, prior to the Effective Date, the City and Southland shall designate in writing signed by both the two entities the Southland Facilities to be served under this Agreement.

3.41 "Southland POD(s)" shall mean the POD(s) to the Southland Facilities.

3.42 "Storage" shall mean placement of P1 FATW in surface or subsurface storage in anticipation of subsequent beneficial use.

3.43 "Third Priority Use" shall mean the allocation and use of P1 FATW as set forth in section 8.5 below.

3.44 "Third Priority User(s)" shall mean Parties who have contracted to purchase, in accordance with the terms and conditions of this Agreement, P1 FATW for Third Priority Use.
3.45 "UWCD Facilities" shall mean the reservoirs, piping, and associated facilities owned, leased or otherwise operated by UWCD to provide water service to its customers.

3.46 "UWCD POD(s)" shall mean the point where the PI FATW Facilities connect to UWCD's Facilities. Consistent with Section 4.2 below, prior to the Effective Date, the City and UWCD shall designate in writing signed by both the two entities the UWCD PODs.

3.47 "Year" shall mean the 12-month period from August 1 to July 31 of the following calendar year.

3.48 "Yearly Second Priority Use Commitment" shall mean the commitment to purchase a certain quantity of Second Priority Use FATW as defined in section 8.4 below.

4. Conditions Precedent. All of the following conditions must be satisfied before this Agreement shall be enforceable and implemented. The City shall provide written notice to all Parties when the City, in its sole and absolute discretion, determines all of the following conditions have been satisfied or otherwise waived.

4.1 Recycled and Groundwater Management Plan. The City and FATW Users shall cooperate in good faith in the development of the FATW Management Plan for presentation to the GMA. The GMA shall approve a “FATW Management Plan” that grants the City the right to obtain groundwater from the United Water Conservation District Oxnard-Hueneme Pipeline System and/or City-owned wells in a volume (in AF) consistent with GMA Resolutions 1999-3, 2003-4 and 2003-5, or in such other amount acceptable to the City. Prior to the City's final acceptance of the FATW Management Plan, the FATW Users shall provide written notice to the City that each FATW User shall provide water use, crop data and other related information to the extent required to facilitate compliance with the FATW Management Plan. The Parties acknowledge that the GMA has adopted Resolution 2013-02 as the operative FATW Management Plan. However, the City may seek an adjustment to Resolution 2013-02 given the subsequent GMA adoption of Ord E. As of the date of signing this Agreement, the condition precedent set forth in this subsection 4.1 has not yet been satisfied.

4.2 Facility Design. Prior to receipt of PI FATW, each Party must provide written notice to the City agreeing on the design and location of the Party's: a) SMP POCs and b) POD(s), including, without limitation, the location(s) of any required appurtenant facilities and easements necessary to provide PI FATW to its facilities, and cost allocation for the construction of these facilities.

4.3 Pipeline Easements. The City shall obtain the easements and rights-of-way necessary, at a cost and subject to terms agreeable to the City in its sole discretion, to construct, operate, maintain, repair and replace the PI FATW Facilities to deliver PI FATW to the Parties.
4.4 **RWQCB and DPH.** RWQCB (and DPH if necessary) must approve the changes to the City’s and other relevant permits that allow for the operations contemplated in this Agreement and which make clear that existing agricultural irrigation practices do not violate the incidental runoff restrictions, and allow education and outreach to reduce signage requirements.

4.5 **Regulatory Approvals.** The City shall receive all regulatory approvals necessary to operate the AWPF as required to deliver PI FATW consistent with this Agreement.

4.6 **LAFCO.** To the extent required, if any, approval of the Ventura County Local Agency Formation Commission is obtained for the FATW service provided in this Agreement.

4.7 **CEQA.** The City will be the lead agency, responsible for CEQA compliance for the implementation of this Agreement, including all costs associated with its actions as lead agency. Both UWCD and PVCWD shall be responsible agencies and each shall be responsible for its CEQA compliance for the implementation of this Agreement, including all costs associated with its actions as a responsible agency. The obligations of the Parties under this Agreement are expressly conditioned upon: (i) compliance with CEQA and all other applicable environmental laws with respect to the actions contemplated by this Agreement; and (ii) the receipt of all necessary governmental and third party consents and approvals for those actions. CEQA compliance must be complete, with the City, UWCD and PVCWD capable and willing to accept all operational limitations, conditions, mitigation and monitoring requirements which may be necessary before this Agreement is effective. The City shall promptly prepare all appropriate environmental documents, if any are required, for it to evaluate the environmental impacts associated with the actions contemplated in this Agreement. The Parties shall cooperate to diligently complete all environmental review required to implement this Agreement, and shall use reasonable efforts to reduce any overlap in analyzing, mitigating, or studying environmental impacts associated with the actions proposed in this Agreement. Notwithstanding any other provision of this Agreement, no action shall be taken to effect the actions contemplated by this Agreement, and no other action shall be taken that commits any material resources of any Party, until all required environmental review is completed and all Parties have independently made all findings required by CEQA and other applicable environmental laws, to consider properly the implementation of this Agreement. If, upon completion of such environmental review, a Party finds one or more significant, unmitigated environmental impacts resulting from the actions contemplated by this Agreement and cannot make a finding that the benefits of the proposed project outweigh the impact or impacts, or that the impacts cannot be mitigated to a level below significance, then this Agreement shall terminate without further obligation or liability of any Party. Neither the execution of this Agreement, nor any preliminary steps taken to implement this Agreement, shall be taken into account in determining whether mitigating or avoiding any significant impact is feasible.

4.8 **UWCD and PVCWD Coordination and Management.** UWCD and PVCWD shall provide written notice to the Parties when the two entities have agreed
upon their respective responsibilities in undertaking the cooperative management responsibilities contemplated in Sections 10 and 11, below, including but not limited to, the coordinated use of the UWCD Facilities and PVCWD Facilities and allocation of Fourth Priority FATW. An agreement between UWCD and PVCWD is a condition precedent to their respective obligations under this Agreement. Either or both UWCD or PVCWD may waive the condition precedent provided in this subsection 4.8 by providing written notice to the City of such waiver.

4.9 SMP Agreement. The City and Calleguas have entered into the SMP Agreement and each Party intending to obtain PI FATW through a SMP POC shall assent in writing to the terms of the SMP Agreement.

4.10 Water Quality. The Parties shall agree upon the anticipated PI FATW water quality constituent profile. The Parties shall document this agreement in writing.

4.11 Signing Parties. At a minimum, the following Parties must have properly executed this Agreement: the a) City, b) at least one of the following entities: (i) Southland, (ii) Reiter, or (iii) Houwelling, and c) either UWCD or PVCWD. The waiver shall be effective only as to the entity providing the written notice. Any non-signing Party may elect to sign and join the Agreement after the Effective Date, with the City’s prior written approval.

5. Construction of PI FATW Facilities and the SMP.

5.1 SMP. To the extent reasonably practical and for the time period until either: a) Calleguas provides notice to the Parties that the SMP is no longer available, or b) the quality of PI FATW becomes unacceptable when distributed through the SMP, the City intends to deliver PI FATW to the Parties through the SMP. The City shall provide each Party as much advance written notice as reasonably practical of: a) any anticipated changes in the quality of the PI FATW being distributed through the SMP as a result of any anticipated changes in Calleguas’ use of the SMP, and b) notice from Calleguas that the SMP will not be available for distribution of PI FATW. The City shall absorb the costs of and work with Calleguas to prepare the design of each SMP POC for each Party. The Parties acknowledge that Calleguas may not allow as many SMP POC’s to its SMP as the City may provide to the PI FATW Facilities contemplated in section 5.2 below. The City shall also cover the cost of construction of one SMP POC for each Party, based upon a design and cost estimate prepared by the City and Calleguas and preapproved in writing by that Party. To the extent a SMP POC must be located on the property of a Party, that Party shall provide appropriate easements for the construction, operation, maintenance, repair and replacement of the SMP POC at no cost. The City and Calleguas shall manage the construction of each SMP POC in coordination with each Party.

5.2 The City shall be solely responsible for the design, permitting, construction, maintenance and repair of the PI FATW Facilities, including, without limitation, acquisition of all required easements and right-of-ways, and shall bear all costs and expenses related thereto. To the extent a POD must be located on the property of a Party, that Party shall provide appropriate easements for the construction, operation,
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maintenance, repair and replacement of the PI FATW Facilities at no cost to the City. Notwithstanding the foregoing, the City shall obtain the consent of PVCWD’s or UWCD’s governing body prior to constructing, maintaining or repairing any facilities for the delivery of FATW that are located within PVCWD’s or UWCD’s service area, which approval shall not be unreasonably withheld and, where granted, shall be granted at no cost to the City and on reasonable terms and conditions. Given the expectation that the Parties may receive PI FATW through the SMP for an extended period and the imposition of Ord E and other potential limitations on the use of local groundwater, the election to construct the PI FATW Facilities shall be in the City’s sole discretion.

5.3 PVCWD POD(s) and SMP POC(s). The City shall design, permit and construct two (2) PVCWD POD(s), and shall bear all costs and expenses related thereto. Should the City and PVCWD be unable to locate either or both the PVCWD PODs in the public right of way or on PVCWD property, the two entities agree to consider a reasonable cost allocation for the incremental increase in cost to locate the PVCWD PODs. The City and PVCWD agree that if additional POD(s) are required to facilitate or maximize the delivery of PI FATW, the City and PVCWD shall arrange for the design and construction of those POD(s) on reasonable terms and conditions mutually satisfactory to both parties. The City, PVCWD and Calleguas shall develop appropriate locations for and design of the SMP POCs for PVCWD use.

5.4 UWCD POD(s) and SMP POC(s).

5.4.1 The City shall design, permit and construct one UWCD POD to the PTP, and shall bear all costs and expenses related thereto. Should the City and UWCD be unable to locate the UWCD POD in the public right of way or on UWCD property, the two entities agree to consider a reasonable cost allocation for the incremental increase in cost to locate the UWCD POD. The City and UWCD agree that if additional POD(s) are required to facilitate or maximize the delivery of PI FATW to the PTP, the City and UWCD shall arrange for the design and construction of those POD(s) on reasonable terms and conditions mutually satisfactory to both parties. The City, UWCD and Calleguas shall develop appropriate locations for and design of the SMP POCs for UWCD use.

5.4.2 UWCD, PVCWD and the City acknowledge that it may be desirable and feasible to establish additional POD’s to UWCD Facilities in the Forebay subbasin through which PI FATW may be delivered directly for use within PVCWD Facilities, and/or PTP Facilities.

5.4.2.1 The City and UWCD shall be solely responsible for all costs associated with the POD in the Forebay subbasin to provide PI FATW to PTP Facilities, including but not limited to permitting, regulatory compliance, mitigation, design, construction and operations of such facilities. The City’s and UWCD’s obligations, cost allocation and oversight responsibility for all or any aspect of the POD for delivery of PI FATW to the PTP Facilities shall be the subject of a separate agreement between the City and UWCD.
5.4.2.2 The City, PVCWD and UWCD shall be solely responsible for all costs associated with the POD to UWCD Facilities in the Forebay subbasin to provide PI FATW to PVCWD Facilities, including but not limited to permitting, regulatory compliance, mitigation, design, construction and operations of such facilities. The City’s, PVCWD’s and UWCD’s obligations, cost allocation and oversight responsibility for all or any aspect of the POD for delivery of PI FATW to the PVCWD Facilities shall be the subject of a separate agreement between the City, PVCWD and UWCD.

5.5 Houweling POD and POC. The City shall design, permit and construct the Houweling POD, and shall bear all costs and expenses related thereto. The City and Houweling anticipate that a single ten (10) inch diameter POD will be adequate to provide PI FATW service to the Houweling Facilities. The Houweling POD will be located in a public right-of-way or on Houweling controlled property. If additional or larger POD(s) are required to facilitate or maximize the delivery of PI FATW to the Houweling Facilities, the City and Houweling shall share the incremental increase in cost to design and construct such POD(s) on reasonable terms and conditions. The City, Houweling and Calleguas shall develop appropriate locations for and design of the SMP POC for Houweling use.

5.6 Southland POD and POC. The City shall design, permit and construct a single Southland POD, and shall bear all costs and expenses related thereto. The City and Southland anticipate that the POD shall be up to ten (10) inches in diameter. The Southland POD(s) will be located in the public right-of-way or on Southland controlled property. If additional or larger POD(s) are required to facilitate or maximize the delivery of PI FATW to the Southland Facilities, the City and Southland shall share the incremental increase in cost to design and construct such POD(s) on reasonable terms and conditions. The City, Southland and Calleguas shall develop appropriate locations for and design of the SMP POCs for Southland use.

5.7 Reiter POD and POC. The City shall design, permit and construct a single Reiter POD, and shall bear all costs and expenses related thereto. The City and Reiter anticipate that the POD shall be up to ten (10) inches in diameter. The Reiter POD(s) will be located in the public right-of-way or on Reiter controlled property. If additional or larger POD(s) are required to facilitate or maximize the delivery of PI FATW to the Reiter Facilities, the City and Reiter shall share the incremental increase in cost to design and construct such POD(s) on reasonable terms and conditions. The City, Reiter and Calleguas shall develop appropriate locations for and design of the SMP POCs for Reiter use.

6. Ownership of PI FATW Facilities, POD(s), and POC(s). The City shall own all PI FATW Facilities constructed under this Agreement, including, without limitation, PI FATW Facilities required to deliver PI FATW to the Parties. The City’s ownership of PI FATW Facilities shall extend up to and include the PODs and POCs.

7. Reservation of Rights.
7.1 The City, UWCD and PVCWD each reserve all rights and remedies they each may have in law and in equity in the event that the City directly delivers FATW to any person or entity located within the jurisdictional boundaries of PVCWD or UWCD.

7.2 Each Party reserves all rights and remedies they may have in law and in equity to participate in the development of, influence, contest, or challenge through any administrative proceeding or litigation, any groundwater replenishment fees, or any comparable fee or charge, to be imposed on groundwater pumping within the GMA, that may be used to purchase RWPA or direct use of P1 FATW for permanent recharge. Such actions shall not be considered a breach of this Agreement.

8. Priority Uses of P1 FATW.

8.1 General. P1 FATW shall be distributed for First, Second, Third and Fourth Priority Uses, as those terms are more particularly described in subsections 8.3, 8.4, 8.5, and 8.6 below. First Priority Uses are those uses of P1 FATW which the City delivers to City Customers. Second, Third and Fourth Priority Uses are those commercial agricultural uses which occur on the Oxnard Plain that would be irrigated with local groundwater, and/or water purchased from UWCD and/or PVCWD. The Parties acknowledge and agree that there may be periods (e.g., overnight and during some rainfall events) when the City is producing more P1 FATW than there is demand from First through Third Priority Uses. To the extent that demand from First through Third Priority Uses is insufficient to use all the available P1 FATW at any given time, the City may place that amount of P1 FATW in Storage for any and all beneficial uses irrespective of the First through Fourth Priorities established herein.

8.2 P1 FATW Capacity. As noted above, the P1 FATW Facilities are expected to produce 7,000 AFY of FATW ("Annual Capacity") at an average capacity of 6.25 MGD and an instantaneous capacity ("Peak Capacity") of 4,340 gallons per minute (GPM). Depending upon the availability of storage, the Peak Capacity may be 8,600 GPM or greater during some periods of each day. Current and future allocation of the First, Second, Third and Fourth Priority Uses are and will be based on these anticipated capacity limitations. The actual operational capability of the P1 FATW Facilities for instantaneous and annual deliveries may be increased with the addition of storage capacity, management of the timing of FATW deliveries, and optimization of operations once the AWPF is in use. The initial allocation to each priority, and the overall assumed limitations described above, may be altered over the term of this Agreement to ensure that the entirety of the P1 FATW is put to reasonable and beneficial use each Year, while preserving the relative reliability of the First, Second, Third, and Fourth Priority Uses.

The available and initial allocations of P1 FATW are listed in the table attached and incorporated herein as Exhibit "A". The initial allocations of P1 FATW are subject to the express terms and conditions set forth throughout this Agreement.

8.3 First Priority Use. P1 FATW may be purchased by current and future City Customers at the "First Priority Use Rate" set forth in subsection 8.3.2 below. Purchasers of P1 FATW at the First Priority Use Rate shall be deemed to have a "First Priority Use." A First Priority Use takes priority over Second, Third and Fourth Priority
Uses, which means that the flow of PI FATW for a First Priority Use may not be interrupted, reduced, suspended or terminated to satisfy Second, Third or Fourth Priority Uses.

**8.3.1 Amount of PI FATW Dedicated for First Priority Use.** The amount of PI FATW dedicated for First Priority Use shall be up to 1,800 AFY, at a Peak Capacity of 1,200 GPM. The First Priority Use is presumed to be relatively continuous because the City intends to balance its daytime demands with off peak use at the River Ridge Golf Course and other City parks and greenbelts. This dedicated amount may be adjusted during the term of and subject to the conditions in this Agreement.

**8.3.2 First Priority Use Rate.** The rate for a First Priority Use of PI FATW (“First Priority Use Rate”) shall be established by the City from time to time through its usual and customary rate-making process.

**8.4 Second Priority Use.** Each Second Priority User shall have the right to purchase PI FATW not otherwise committed to First Priority Use. A PI FATW User who commits to purchase a specified amount of PI FATW at the Second Priority Use Rate set forth in subsection 8.4.7 below, is deemed to have a “Second Priority Use” for that amount of FATW. A Second Priority Use takes priority over Third and Fourth Priority Uses, which means that the flow of PI FATW for a Second Priority Use may not be interrupted, reduced, suspended or terminated to satisfy Third or Fourth Priority Uses. Second Priority Users are entitled to and shall take Second Priority Use PI FATW subject to the following:

**8.4.1** The City agrees that it shall not enter into agreements for First Priority Use and Second Priority Use that cumulatively exceed the Peak Capacity or Annual Capacity. To implement this obligation, the City shall limit its commitment of cumulative Peak Capacity to deliver PI FATW for Second Priority Use to an amount smaller than the Peak Capacity of the PI FATW Facilities less the amount of Peak Capacity reserved for First Priority Use. In complying with this obligation, the City shall also consider the potential fluctuations in diurnal demands, availability of storage capacity and the variations in each Second Priority User’s capability of altering its delivery schedule. The Parties expect that the City will be capable of reliably delivering greater than 3,140 GPM for Second Priority Uses by optimizing the PI FATW Facilities Annual and Peak Capacities by, among other things, coordinating the timing of Second Priority Users’ demands and exercising the use of available storage. The City in its sole, reasonable discretion, shall be responsible for fulfilling its obligations under this subsection.

**8.4.2** The Second Priority Use category is intended to provide each Second Priority User with reliable access to PI FATW, with the recognition that Second Priority Users require delivery of PI FATW during certain periods at or near a designated Peak Capacity (“Peak Capacity Reservation”) specified for each Second Priority User. However, each Second Priority User is not expected to take continuous delivery of PI FATW at its Peak Capacity Reservation. Actual use is anticipated to vary based on availability of storage at the Second Priority User’s facilities, growing conditions, crop
type, weather conditions, and crop maturity. Each Second Priority User shall have an expressly designated Yearly P1 FATW Second Priority Use purchase commitment ("Yearly Second Priority Use Commitment"), a Peak Capacity Reservation, and a minimum purchase commitment ("Minimum Second Priority Use Commitment"). Unless the Second Priority User and the City agree otherwise, the Yearly Second Priority Use Commitment shall be calculated with a 0.8 conversion factor against the Peak Capacity Reservation and the Minimum Second Priority Use Commitment with a 0.35 conversion factor against the Peak Capacity Reservation. The Yearly Second Priority Use Commitment and Minimum Second Priority Use Commitment shall be expressed in AFY and the Peak Capacity Reservation in GPM. By way of example, unless otherwise specified, a Second Priority User with a Peak Capacity Reservation of 1,000 GPM would have a Yearly Second Priority Use Commitment of 800 AFY and a Minimum Second Priority Use Commitment of 350 AFY.

8.4.3 Unless the City can accommodate higher flows at any given time, each Second Priority User shall limit its delivery rate to no more than its Peak Capacity Reservation. Each Second Priority User must take delivery of its Yearly Second Priority Commitment before it is entitled to purchase water at a Third or Fourth Priority Use Rate. Second Priority Use P1 FATW is subject to further terms and conditions described herein.

8.4.4 Initial Allocation of P1 FATW to Second Priority Use. The City commits to deliver and the Second Priority Users commit to purchase the following amounts of P1 FATW for Second Priority Use subject to the terms of this Agreement.

8.4.4.1 Houweling. Houweling agrees to a Peak Capacity Reservation of 1,000 GPM, a Yearly Second Priority Use Commitment 800 AFY, and a Minimum Second Priority Use Commitment of 350 AFY. Houweling shall take delivery of this Second Priority Use P1 FATW through the Houweling POD for use at the Houweling Facility. To maximize the availability of Second Priority Use P1 FATW, Houweling agrees to take delivery of its Second Priority Use P1 FATW during the off-peak use periods whenever reasonably practical.

8.4.4.2 Southland. Southland agrees to a Peak Capacity Reservation of 500 GPM, a Yearly Second Priority Use Commitment 400 AFY, and a Minimum Second Priority Use Commitment of 175 AFY. Southland shall take delivery of this Second Priority Use P1 FATW through the Southland POD for use at the Southland Facilities. The Parties acknowledge that Southland's intended use of Second Priority Use P1 FATW requires peak rate deliveries during the daytime irrigation periods and its demands are particularly time sensitive.

8.4.4.3 Reiter. Reiter agrees to a Peak Capacity Reservation of 1,000 GPM, a Yearly Second Priority Use Commitment 800 AFY, and a Minimum Second Priority Use Commitment of 350 AFY. Reiter shall take delivery of this Second Priority Use P1 FATW through the Reiter POD for use at the Reiter Facilities. The Parties acknowledge that Reiter's intended use of Second Priority Use P1 FATW requires
peak rate deliveries during the daytime irrigation periods and its demands are particularly
time sensitive.

8.4.5 Allocation of P1 FATW to Second Priority Use. Second Priority
Users may, in accordance with the terms and conditions of this Agreement, commit or
adjust the purchase of P1 FATW for Second Priority Use subject to the following:

8.4.5.1 Total P1 FATW Available for Second Priority Use. The
City, UWCD and PVCWD shall use reasonable best efforts to determine the cumulative
Peak Capacity Reservation and Yearly Second Priority Use Commitment of P1 FATW
that may be committed to all Second Priority Uses based on factors including, without
limitation, the capacity of the P1 FATW Facilities, the Peak Capacity associated with
Second Priority Users, the timing of those demands during daily and seasonal periods,
and the amount of P1 FATW committed to First Priority Use. UWCD, PVCWD and the
City shall use their reasonable best efforts to maximize the availability of P1 FATW
while limiting the cumulative amount of P1 FATW committed to all Second Priority
Users so that an adequate amount of P1 FATW is available to provide a reliable supply of
P1 FATW to each Second Priority User. To the extent the Parties cannot timely agree on
the management of P1 FATW available to the Second Priority Users, the City in its sole
and reasonable discretion shall make any and all final determinations as may be
necessary.

8.4.5.2 Adjustment in Second Priority Use.

8.4.5.2.1 Each Second Priority User may adjust its
Peak Capacity Reservation, and associated Yearly Second Priority Use and Minimum
Second Priority Use Commitments by providing the City, UWCD and PVCWD with a
written request, on or before May 1 of each Year. Timely notice (notice received on or
before May 1) shall be effective for the Year following the Year in which the notice is
given. Late notice shall be effective as though given on May 1 of the following Year. By
way of example, written notice provided on June 1, 2014, shall be deemed given on May
1, 2015, and the associated reduction in Peak Capacity Reservation shall be effective for
the year beginning August 1, 2015.

8.4.5.2.2 If a Second Priority User fails to purchase its
Minimum Second Priority Use Commitment in a given Year, the City may unilaterally
decrease a Second Priority User’s Peak Capacity Reservation and associated Yearly
Second Priority Use and Minimum Second Priority Use Commitments beginning the
Year following the Year of under-use. Prior to implementing the unilateral decrease, on
or before August 31 of the Year following the under-use, the City shall provide the
Second Priority User with written notice of the adjusted Peak Capacity Reservation and
associated Yearly Second Priority Use Commitment and Minimum Second Priority Use
Commitment. The City shall base its adjustment on the Second Priority User’s actual use
during the Year at issue. The Second Priority User may propose an alternative adjusted
Peak Capacity Reservation and associated Yearly Second Priority Use Commitment and
Minimum Second Priority Use Commitment, based on such Second Priority User’s
unique circumstances, by providing the City with a written response within thirty (30)
days of the City’s notice. The City shall make a final determination of the applicable Peak Capacity Reservation based upon the information available and the exercise of its reasonable discretion. The City shall provide such Second Priority User with written notice of the applicable Peak Capacity Reservation and associated Yearly Second Priority Use Commitment and Minimum Second Priority Use Commitment on or before October 31, to apply beginning in that Year.

8.4.6 Management of Second Priority Use. Notwithstanding any other provision in this Agreement, Second Priority Use shall be subject to the management authority of PVCWD, UWCD and/or the City as more particularly described in sections 10 and 11 below. In exercising that authority, PVCWD, UWCD and the City may, through the exercise of their collective reasonable discretion, modify the terms and conditions governing the delivery of PI FATW for Second Priority Use. PVCWD, UWCD and/or the City shall exercise this discretion reasonably. Where feasible, PVCWD, UWCD and/or the City shall provide each Second Priority User a reasonable opportunity to provide sufficient information to argue that the proposed modification is not required. Such modifications shall be made to facilitate and maximize the use of PI FATW for Second Priority Use. Modifications may include, without limitation, temporary reductions or interruptions of service to Second, Third, or Fourth Priority Uses. Modifications may also include the reduction or termination of Second Priority Uses where required to meet First Priority Use or where a Second Priority User has failed to make full use of the PI FATW Second Priority Use to which that user has committed. To the extent the Parties cannot timely agree on the management of PI FATW available to the Second Priority Users, the City in its sole and reasonable discretion shall make any and all final determinations as may be necessary.

8.4.7 Second Priority Use Rates. Second Priority Use Rates shall be calculated based on metered use for PI FATW delivered through the Second Priority User’s POD as follows:

8.4.7.1 For that portion of the volume of water delivered through the Second Priority User’s POD for which the City does not receive in exchange a right to pump local groundwater pursuant to the FATW Management Plan approved as provided in section 4.1 above, the Second Priority User shall be charged and pay to the City the then applicable Calleguas Tier 2 rate. The Parties acknowledge and agree that this rate shall be renegotiated to a rate that reflects the City’s cost to purchase water from Calleguas, should there be a material change in either: a) the rate structure applicable to the City for the purchase of Tier 2 water from Calleguas, or any component thereof, including the Calleguas “capacity reservation charge,” existing at the Effective Date; or b) the City’s rights to purchase Tier 2 water from Calleguas in lieu of the use of the associated RWPA.

8.4.7.2 For that portion of the volume of water delivered through the Second Priority User’s POD for which the City receives in exchange a right to pump local groundwater pursuant to the FATW Management Plan approved as provided in section 4.1 above, the Second Priority User shall be charged and pay to the City $650.00 per AF (“Second Priority Use Rate”), subject to the annual modification provided in
subsection 8.4.7.2.1 below. The Second Priority Use Rate ($650.00 per AF) set forth in this section is referred to as the "Original Second Priority Use Rate" when applying the CPI Adjustment provided in subsection 8.4.7.2.1 below.

8.4.7.2.1 The Second Priority Use Rate shall be adjusted annually on July 1st of each Year ("Adjustment Date") beginning in 2015. The adjustment shall be calculated as the sum of the following two calculations (See “CPI Adjustment” and “Pump Charge Adjustment” defined below), each of which determines a dollar per AF adjustment ("Adjustment"). The Second Priority Use Rate applicable for water deliveries following the Adjustment Date shall be calculated as the Second Priority Use Rate in the Year just prior to the Adjustment Date plus the sum of the “CPI Adjustment” and the “Pump Charge Adjustment.”

(a) The “CPI Adjustment” shall be calculated based upon changes in the Consumer Price Index (“CPI”) for All Urban Consumers for Los Angeles – Riverside – Orange County CA for all items, base period 1982-84 = 100, as published by the U.S. Department of Labor, Bureau of Labor Statistics. The CPI Adjustment shall be the percent change in CPI for the month of April immediately preceding the Adjustment Date compared to the CPI for the month of April 2012, multiplied by the Original Second Priority Use Rate (See “Example One,” below).

(b) The “Pump Charge Adjustment” shall be calculated based upon the sum of the annual change in three charges imposed on regional groundwater use: a) the United Water Conservation District ("UWCD") Water Conservation Fund Groundwater Extraction Charge (Zone A) applicable to agriculture use (“Zone A Charge”), b) the UWCD Freeman Diversion Extraction Charge (Zone B) applicable to agriculture use (“Zone B Charge”), and c) the GMA Groundwater Extraction Charge (“GMA Charge”). The change in the Zone A Charge shall be the Zone A Charge applicable for the Year immediately following the Adjustment Date minus the Zone A Charge applicable for the Year immediately preceding the Adjustment Date. The change in the Zone B Charge shall be the Zone B Charge applicable for the Year immediately following the Adjustment Date minus the Zone B Charge applicable for the Year immediately preceding the Adjustment Date. The change in the GMA Charge shall be the sum of any incremental changes in the GMA Charge that were authorized during the Year immediately preceding the Adjustment Date. (See Example One, below).

EXAMPLE ONE

The following Adjustment calculation is provided as an example only. The first Adjustment to the Second Priority Use Rate shall be calculated and applicable for the Adjustment Date in 2013. This example assumes for illustrative purposes only the CPI for April 2013 is 239.989; the Zone A Charge after the 2013 Adjustment Date is $49.75; and there is no change to both the GMA and Zone B Charges. The April 2012 CPI is 236.866, as currently published. The Zone A Charge applicable before the 2013 Adjustment Date is $39.75, as currently published.

Step 1: The CPI Adjustment that would be applicable for the 2013 Adjustment Date, would be calculated as the CPI for April 2013 minus the CPI for April 2012, divided by the CPI for April 2012 times the Original Second Priority Use Rate; or 

\[
\text{CPI Adjustment} = \left( \frac{239.989 - 236.866}{236.866} \right) \times 650.00 \approx 8.57
\]

STEP 2: The Pump Charge Adjustment for Zone A would be calculated as the Zone A Charge applicable after the 2013 Adjustment Date minus the Zone A Charge applicable before the 2013 Adjustment Date; or 

\[
\text{Zone A Charge Adjustment} = 49.75 - 39.75 = 10.00
\]

STEP 3: The Pump Charge Adjustment for Zone B would be calculated as the Zone B Charge applicable after the 2013 Adjustment Date minus the Zone B Charge applicable before the 2013 Adjustment Date; or 

\[
\text{Zone B Charge Adjustment} = \text{same as Zone A, or } 10.00
\]

STEP 4: The Pump Charge Adjustment for GMA would be calculated as the sum of any incremental changes in the GMA Charge that were authorized during the Year immediately preceding the Adjustment Date; or 

\[
\text{GMA Charge Adjustment} = \text{same as Zone A, or } 10.00
\]

The final Adjustment to the Second Priority Use Rate applied for the Adjustment Date in 2013, is the sum of the CPI Adjustment and the Pump Charge Adjustments; or 

\[
\text{Final Adjustment} = 8.57 + 10.00 + 10.00 = 28.57
\]

The Second Priority Use Rate applicable for water deliveries following the Adjustment Date in 2013, would be calculated as the Original Second Priority Use Rate plus the Final Adjustment; or 

\[
\text{Adjusted Second Priority Use Rate} = 650.00 + 28.57 = 678.57
\]
Step 2: The Pump Charge Adjustment that would be applicable for the 2013 Adjustment Date, would be calculated as the Zone A Charge applicable after the 2013 Adjustment Date ($49.75 / AF) minus the Zone A Charge applicable for the Year before the 2013 Adjustment Date ($39.75) or $(49.75 - 39.75 = $10.00). Since there was no change to either the GMA Charge or the Zone B Charge during this period, the total Pump Charge Adjustment is equal to $10.00.

Step 3: Given the above, if an Adjustment was to be applied and implemented with these example numbers on the 2013 Adjustment Date, the Adjustment applicable on the 2013 Adjustment Date would be the CPI Adjustment plus the Pump Charge Adjustment, or $8.57 + $10.00 = $18.57.

(c) The Pump Charge Adjustment shall be modified to include any new groundwater pumping charge or fee that UWCD, the GMA or any court or regulatory agency with jurisdiction over groundwater pumping on the Oxnard Plain may impose in the future. Any additional pump charge shall be incorporated into the Pump Charge Adjustment using the same methodology applied to the existing charges; that is, the Pump Charge Adjustment shall include the Year over Year changes in the new pump charge.

(d) The Parties acknowledge that UWCD is involved in litigation over its methodology used to calculate its Zone A and Zone B Charges (City of San Buenaventura v. United Water Conservation District (Santa Barbara County Superior Court Case No. VENC100401714 and Ventura County Superior Court Case No. 56-2012-00422218-CU-WM-VTA)). The Parties agree to negotiate in good faith, as provided in section 32.2 below, a methodology to implement the Pump Charge Adjustment if, as a result of that litigation, UWCD materially modifies the methodology UWCD uses to calculate the Zone A or Zone B Charges.

8.4.8 The Parties acknowledge that Houweling does not have a GMA pumping allocation for approximately fifty percent (50%) of Houweling’s anticipated Yearly Second Priority Use Commitment, and thus, the City will not seek a right from the GMA to pump that amount of groundwater in exchange for that amount of P1 FATW delivered through the Houweling POD pursuant to section 4.1 above. As a result, the City shall charge and Houweling shall pay the Second Priority Use Rate set forth in subsection 8.4.7.2 above for that amount of Second Priority Use P1 FATW delivered through the Houweling POD for which the City does receive a right to pump groundwater pursuant to section 4.1 above, and the Second Priority Use Rate set forth in subsection 8.4.7.1 above for the remainder of the Second Priority Use P1 FATW delivered through the Houweling POD each Year.

8.4.8.1 The City shall invoice and each Second Priority User shall promptly pay each invoice pursuant to section 14 below.

8.5 Third Priority Use. Third Priority Users may purchase P1 FATW not otherwise committed for First and Second Priority Uses at the “Third Priority Use Rate” set forth in subsection 8.5.3 below. Purchasers of P1 FATW at the Third Priority Use Rate shall be deemed to have a “Third Priority Use.” A Third Priority Use takes priority over a Fourth Priority Use, which means that the flow of P1 FATW for a Third Priority
Use may not be interrupted, reduced, suspended or terminated to satisfy Fourth Priority Use.

8.5.1 Management of Third Priority Use. Notwithstanding any other provision in this Agreement, Third Priority Use shall be subject to the management authority of UWCD, PVCWD and/or the City as more particularly described in sections 10 and 11 below. In exercising that authority, UWCD, PVCWD and the City may, through the exercise of their collective reasonable discretion, modify the terms and conditions governing the delivery of PI FATW for Third Priority Use. PVCWD, UWCD and the City shall exercise this discretion reasonably and shall, where feasible, provide each Third Priority User a reasonable opportunity to provide PVCWD, UWCD and/or the City with sufficient information to argue that the proposed modification is not required. Such modifications shall be made to facilitate and maximize the use of PI FATW for First, Second and Third Priority Use. Modifications may include, without limitation, temporary reductions or interruptions of service to Third or Fourth Priority Use. Modifications may also include the termination of PI FATW service to Third Priority Users where that termination is required to meet First and Second Priority Use demand. To the extent the Parties cannot timely agree on the management of PI FATW available to the Third Priority Users, the City in its sole and reasonable discretion shall make any and all final determinations as may be necessary.

8.5.2 Purchase of PI FATW for New Third Priority Use. The City shall not provide PI FATW for a Third Priority Use to any new user or for use at an additional property for an existing Party without first making reasonable best efforts to confer with all the Second Priority Users, Third Priority Users, UWCD and PVCWD. Based upon the input received on the following factors, along with any other information deemed relevant by the City, the City may, in its sole and reasonable discretion, elect to extend service to a new Third Priority Use for a new Party or at a new property for an existing Party:

8.5.2.1 Whether the amount of PI FATW requested for the Third Priority Use is likely to cause the total amount of PI FATW committed to Third Priority Uses to consistently exceed the total amount of PI FATW available for Third Priority Uses.

8.5.2.2 The quantity of PI FATW used as a Fourth Priority Use.

8.5.2.3 The quantity of PI FATW that has not been put to use because of limited demand.

8.5.2.4 Any anticipated changes in availability of temporary, seasonal or long term storage of PI FATW.

8.5.2.5 Any unique demand characteristics of the new or expanded use proposed for a Third Priority Use.

8.5.2.6 Whether the amount of PI FATW requested for the Third Priority Use may materially reduce, impede or impair the availability of PI FATW to
Third Priority Users based on historic and anticipated the cropping patterns and seasonal water demands.

8.5.3 Third Priority Use Rate. Third Priority User rates shall be calculated based on metered use for PI FATW delivered through such Third Priority User’s PODs as follows:

8.5.3.1 For that portion of the volume of water delivered through the Third Priority User’s POD for which the City does not receive in exchange a right to pump local groundwater pursuant to the FATW Management Plan as provided in section 4.1 above, the Third Priority User shall be charged and pay to the City the then applicable Calleguas Tier 2 rate. The Parties acknowledge and agree that this rate shall be renegotiated to a rate that reflects the City’s cost to purchase water from Calleguas, should there be a material change in either: a) the rate structure applicable to the City for the purchase of Tier 2 water from Calleguas, or any component thereof, including the Calleguas “capacity reservation charge,” existing at the Effective Date; or b) the City’s rights to purchase Tier 2 water from Calleguas in lieu of the use of the associated RWPA.

8.5.3.2 For that portion of the volume of water delivered through the Third Priority User’s POD for which the City does receive in exchange a right to pump local groundwater pursuant to the FATW Management Plan as provided in section 4.1 above, Third Priority Users shall be charged and pay to the City $500.00 per AF ("Third Priority Use Rate"), subject to the annual adjustments set forth in subsection 8.4.7.2.1 above. The Third Priority Use Rate of $500.00 per AF shall be referred to as the "Original Third Priority Use Rate" and in applying subsection 8.4.7.2.1 above, the Original Third Priority Use Rate shall be used in place of the Original Second Priority Use Rate whenever applicable.

8.5.3.3 The City shall invoice and each Third Priority User shall promptly pay each invoice pursuant to section 14 below.

8.6 Fourth Priority Use. PI FATW not otherwise committed to First, Second or Third Priority Uses, or for Storage, may, in accordance with the terms and conditions of this Agreement, be purchased by UWCD and PVCWD at the “Fourth Priority Use Rate” set forth in subsection 8.6.2 below. For that portion of PI FATW purchased by UWCD or PVCWD at the Fourth Priority Use Rate, UWCD and PVCWD shall be deemed to have a “Fourth Priority Use.” PVCWD and UWCD shall take delivery of PI FATW for Fourth Priority Use at PVCWD’s PODs and UWCD’s PODs.

8.6.1 Purchase for Fourth Priority Use. To the extent determined feasible by UWCD and PVCWD, given the considerations and operational limitations described in this subsection, UWCD and PVCWD intend to purchase the entire amount of PI FATW which is not committed to First, Second or Third Priority Uses. However, notwithstanding anything in this Agreement to the contrary, neither this expression of intent, nor any provision in this Agreement shall be construed as a guarantee or commitment by UWCD or PVCWD to purchase any PI FATW or minimum volume
thereof. The Parties recognize that UWCD's and PVCWD's ability to purchase PI FATW for Fourth Priority Use is limited by UWCD's and PVCWD's seasonal and diurnal customer demand, other sources of water which now or in the future may become available to UWCD and PVCWD, the cost of PI FATW, and the use of PI FATW for Storage. UWCD and PVCWD recognize that the demand for First, Second and Third Priority Uses, and Storage, may, over time, cause the amount of PI FATW available to UWCD and PVCWD for Fourth Priority Use to decrease. The availability, if any, in the amount of PI FATW available to UWCD or PVCWD for Fourth Priority Use shall not relieve PVCWD or UWCD of the operational and management obligations under this Agreement. To the extent UWCD and PVCWD cannot agree upon the distribution between the two entities of available Fourth Priority PI FATW, and an equal distribution of Fourth Priority PI FATW to UWCD and PVCWD is not practical, the City in its sole and reasonable discretion shall make any and all final determinations as may be necessary to make available the Fourth Priority PI FATW to UWCD and PVCWD.

8.6.2 Fourth Priority Use Rate. Fourth Priority User Rates shall be calculated based on metered use for PI FATW delivered for Fourth Priority Use through the PVCWD's PODs and UWCD's PODs as follows:

8.6.2.1 PVCWD and UWCD shall be charged and pay to the City the Fourth Priority Use Rate, calculated as the Third Priority Use Rate minus a "Management Discount," as described in section 9 below. The Fourth Priority Use Rate shall be subject to the annual adjustments set forth in subsection 8.4.7.2.1 above. The Original Third Priority Use Rate minus the then applicable Management Discount shall be referred to as the "Original Fourth Priority Use Rate" and shall be used in applying the annual adjustments to Fourth Priority Use Rate whenever applicable.

8.6.2.2 PVCWD and UWCD acknowledge that the Fourth Priority Use Rate is established with the presumption that the City receives in exchange for the PI FATW delivered for Fourth Priority Use a right to pump local groundwater pursuant to the FATW Management Plan as provided in section 4.1 above. UWCD and PVCWD agree that the provisions of section 23 below shall apply if the FATW Management Plan is altered in a way that materially reduces the City's right to pump local groundwater in exchange for delivery PI FATW for Fourth Priority Use.

8.6.2.3 The City, UWCD, and PVCWD acknowledge that the method of establishing the Fourth Priority Use Rate (based on the Third Priority Use Rate minus the Management Discount) is intended to ensure that UWCD and PVCWD pay a fair share of the costs of the PI FATW Facilities in addition to recognizing the benefits received by all Parties through UWCD's and PVCWD's extraordinary management obligations provided in this Agreement.

8.6.2.4 The City shall invoice and each Fourth Priority User shall promptly pay each invoice pursuant to section 14 below.

8.6.3 Storage. PVCWD, UWCD and the City acknowledge and agree that additional capability to store PI FATW, both for temporary and seasonal periods, will
provide the Parties with the facilities needed to maximize the beneficial use of P1 FATW. PVCWD, UWCD and the City agree that (i) the City may store P1 FATW during periods when PVCWD or UWCD may not be capable of taking delivery of P1 FATW, and that stored P1 FATW may subsequently be used to supply First, Second, or Third Priority Uses; or (ii) the City may store some portion of the available Fourth Priority Use P1 FATW to gather data sufficient to obtain permits for certain methods of storage of P1 FATW.

8.7 **Calleguas Wheeling Rate.** To the extent Calleguas imposes a fee ("Calleguas Wheeling Rate") for use and delivery of P1 FATW through the SMP, the City shall include that Calleguas Wheeling Rate as a component of any charge imposed on and payable by Second, Third and Fourth Priority P1 FATW Users, as set forth above. The Parties anticipate that the Calleguas Wheeling Rate will be imposed on a per acre-foot basis.

9. **Special Consideration for UWCD's and PVCWD's Operational and Management Obligations.** For so long as UWCD and PVCWD continue to fulfill the special obligations provided in sections 10 and 11 below, each shall receive the following "Management Discount" for its purchases of P1 FATW:

9.1 The initial Management Discount shall be one hundred and seventy five dollars per acre foot ($175/AF) of P1 FATW delivered through the UWCD POD and SMP POC, or the PVCWD POD and SMP POC, and shall be referred to as the "Original Management Discount". The Management Discount shall be adjusted annually on the Adjustment Date beginning in 2015, using the CPI Adjustment provided in subsection 8.4.7.2.1(a) above, with the Original Management Discount used where applicable.

9.2 The Management Discount shall be applicable to any P1 FATW purchased by PVCWD or UWCD for a Second, Third or Fourth Priority Use, subject to the annual adjustments set forth in subsection 8.4.7.2.1 above. However, those annual adjustments shall be based not on the applicable rate, but on the applicable rate less the Management Discount.

10. **Operation of AWPF and P1 FATW Facilities.**

10.1 The City shall be responsible for delivery of P1 FATW from the AWPF into the P1 FATW Facilities.

10.2 To the extent feasible, and in accordance with the terms and conditions set forth in this Agreement, the City shall ensure that the amount of P1 FATW available for distribution through the P1 FATW Facilities shall be sufficient to meet First, Second and Third Priority Use demand, as that demand may exist at any point in time. When PVCWD, UWCD and the City, through the exercise of their collective reasonable discretion, determine that all available P1 FATW is committed to First and Second Priority Uses, no P1 FATW shall be delivered to any Third or Fourth Priority Use. PVCWD, UWCD and the City shall exercise this discretion reasonably.

10.3 The City shall, to the extent feasible, refrain from storing, discharging or otherwise disposing of P1 FATW in any manner that reduces, impedes or prevents
distribution of the maximum amount of PI FATW to First or Second Priority Users as required under this Agreement. However, this restriction shall not apply to the extent the City must comply with third party regulatory requirements, or in conducting those studies necessary to obtain regulatory approval to: (i) use the local groundwater basin for temporary, seasonal or long term storage of the PI FATW, or (ii) expand the use of the FATW Facilities for subsequent phases of the GREAT Program. In complying with these regulatory requirements, the City will make every reasonable effort to minimize any impact on First or Second Priority Users.

10.4 The City, UWCD and PVCWD shall, to the fullest extent permitted by law, jointly coordinate and manage the day-to-day delivery of PI FATW to the Parties.

10.5 The City, UWCD and PVCWD shall, to fullest extent permitted by law, consistent with their rights and obligations under Section 8.6.1 above, make every reasonable effort to jointly coordinate and manage delivery of PI FATW into the PI FATW Facilities, storage of PI FATW in UWCD Facilities and PVCWD Facilities and scheduling use of the PI FATW among the Parties to achieve the following objectives:

10.5.1 Maximize the reasonable and beneficial use of PI FATW between and among the Parties, while, to the extent feasible, delivering to those users an amount of PI FATW that reflects and is commensurate with their respective priorities as First, Second, Third or Fourth Priority Users.

10.5.2 Coordinate, to the extent feasible, the scheduling of the deliveries of PI FATW among the Parties so that each receives the maximum amount of PI FATW that is practical, reasonable and consistent with each user's status as First, Second, Third or Fourth Priority Users.

10.6 To the extent feasible and consistent with the agreement between UWCD and PVCWD referenced in Section 4.8 above, above, and consistent with their rights and obligations under Section 8.6.1 above, UWCD and PVCWD shall manage storage levels in the UWCD and PVCWD Facilities which they operate to maximize the ability to receive and store any PI FATW that may be delivered to UWCD and PVCWD in accordance with this Agreement. This obligation includes: a) PVCWD coordinating its use of PI FATW within the PVCWD Facilities operated by PVCWD along with PVCWD's other water supplies, and b) UWCD coordinating its use of PI FATW within UWCD Facilities along with UWCD's other water supplies. UWCD and PVCWD shall accomplish the requirements of this subsection 10.6 while also preserving UWCD's ability to maximize groundwater recharge with surface water available to UWCD. This obligation also includes PVCWD and UWCD making every reasonable effort to encourage each of their respective customers to rely on PVCWD water supplies or UWCD water supplies, as applicable, in lieu of the customer's groundwater wells.

10.7 In the event PVCWD or UWCD elect, each in its sole and absolute discretion, to cede its specific management and operational obligations under this section 10, or the City and United and/or PVCWD agree the City shall assume these responsibilities, UWCD and/or PVCWD, as the case may be, shall be immediately
relieved of, and the City shall assume full responsibility for, those obligations. The City's assumption of UWCD's or PVCWD's obligations pursuant to this provision shall not in any manner affect UWCD's or PVCWD's right to receive PI FATW for Fourth Priority Use, but the Management Discount to which UWCD or PVCWD is entitled pursuant to subsection 9.1 above shall be reduced by forty-five percent (45%), unless the City, UWCD and PVCWD agree to an alternative percentage.

10.8 To the extent UWCD, the City and PVCWD do not agree upon the distribution of available PI FATW, or any other activity requiring their coordinated efforts, the City in its sole and reasonable discretion shall make any and all final determinations as may be necessary.

11. Further Coordination and Management of FATW Use. In addition to the coordination and management of the operation of the FATW described in section 10 above, the City, UWCD and PVCWD shall have the following coordination and management responsibilities:

11.1 UWCD and PVCWD shall, to the fullest extent allowed by law, ensure that each Party, other than the City, and each of UWCD's and PVCWD's customers, to the extent required under applicable regulations, have a designated and trained FATW site supervisor, who is capable of ensuring the proper implementation of any and all permit requirements for FATW use (signage, etc.), responding to information requests, routine site visits, and emergency conditions.

11.2 As a matter of efficiency and convenience, UWCD and PVCWD may, to the fullest extent allowed by law, assume the site supervisor responsibilities for a UWCD customer, PVCWD customer, and/or any Party other than the City. UWCD's or PVCWD's assumption of any of its customer's or any Party's site supervision responsibilities shall be at UWCD's and PVCWD's sole and absolute discretion, and shall be contingent upon PVCWD or UWCD obtaining written consent of the Party or customer.

11.3 The City shall ensure that UWCD and PVCWD has available all the information and training opportunities necessary to meet its obligations under this Agreement.

11.4 PVCWD and UWCD shall otherwise work with the City to manage all aspects of compliance with the RWQCB and DPH regulatory requirements applicable to FATW use for the purposes contemplated in this Agreement.

11.5 In the event PVCWD or UWCD elects, each in its sole discretion, to cede its specific management and operational obligations under this section 11, or the City, on the one hand, and PVCWD or UWCD, on the other hand as applicable, agree the City shall assume these responsibilities, UWCD and/or PVCWD, as applicable, shall be immediately relieved of, and the City shall assume full responsibility for, those obligations. The City's assumption of UWCD's or PVCWD's obligations pursuant to this provision shall not in any manner affect UWCD's or PVCWD's right to receive PI
FATW for Fourth Priority Use, but the Management Discount to which UWCD or PVCWD is entitled pursuant to subsection 9.1 above shall be reduced by forty-five percent (45%), unless the City, UWCD and PVCWD agree to an alternative percentage reduction.

11.6 To the extent UWCD, the City and PVCWD do not agree upon the distribution of available PI FATW, or any other activity requiring their coordinated efforts, the City in its sole and reasonable discretion shall make any and all final determinations as may be necessary.

12. UWCD, PVCWD and City Authority.

12.1 The Parties agree that the City, UWCD and PVCWD have the legal authority to manage and operate the PI FATW Facilities as generally contemplated in this Agreement. Further, the Parties expressly submit to the City’s, UWCD’s and PVCWD’s oversight and authority as expressed in this Agreement, particularly with respect to sections 10 and 11 above, and waive any right to object or contest the exercise of such authority and oversight, provided it is exercised reasonably. As a condition of receiving PI FATW, each Party (other than the City, UWCD and PVCWD) expressly agrees to and waives any right to contest, the City’s, UWCD’s and PVCWD’s legal authority to manage, operate and oversee the delivery and use of PI FATW as provided in this Agreement.

12.2 To the extent either UWCD or PVCWD elect not to become a Party to this Agreement, or terminate their participation in this Agreement while it otherwise remains in effect as to the other Parties including either PVCWD or UWCD, then the remaining Party (either PVCWD or UWCD) and the City shall make their reasonable best efforts to fulfill the obligations set forth in sections 10 and 11 above. If both UWCD and PVCWD both elect not to become Parties to this Agreement or terminate their participation in this Agreement while it otherwise remains in effect as to the other Parties, then the City shall undertake the obligations under this Agreement without Fourth Priority Users.

13. Regulatory Fees and Charges. The City shall be responsible for obtaining, including all associated costs, the necessary regulatory approvals and permits required to deliver PI FATW to the Parties Users as set forth in this Agreement. Each Party shall be responsible for any and all ongoing regulatory costs, including ongoing inspections, permit renewals, and enforcement actions, including penalties, associated with delivery or use of PI FATW from such Party’s POD and on such Party’s property or facilities.

14. FATW Billing and Payment.

14.1 The City shall provide each Party with a written invoice monthly, including the amount of PI FATW delivered through such Party’s POD(s), or SMP POC, for the applicable billing period, the applicable rates, the total amount due for that invoice period, and any accrued balance. All invoices shall be paid within thirty (30) days of receipt.
14.2 If a Party disputes any portion of an invoice, it shall provide the City prompt notice of the details of the dispute, and otherwise shall pay any undisputed portion of the invoice. Disputes shall be resolved as promptly as practical.

14.3 Notwithstanding any other remedies available at law or equity, the City may impose a late penalty for any portion of an amount due and payable, but not satisfied by the due date. The late penalty shall be 1.5 percent (1.5%) per month.

15. P1 FATW Water Quality and Testing.

15.1 Water Quality. The City will deliver P1 FATW that is directly suitable for commercial agricultural irrigation, meeting all RWQCB and DPH regulatory and permitting requirements. The water quality profile will be that documented pursuant to 4.10 above. Each Party shall be responsible for any treatment required from that Party’s POD (maintaining the disinfection residual, if any, along with any other treatment it may elect to use); provided however, the City makes no warranty regarding the quality of the P1 FATW beyond that specified in this Agreement.

15.2 Water Testing. The City shall be responsible for all water quality testing that is required up to each Party’s POD and POC and each Party shall be responsible for any water quality testing beyond its PODs, if any is required.

16. End Use of FATW.

16.1 Each Party agrees to abide by and comply with the operational and management authority exercised by UWCD, PVCWD and the City under this Agreement.

16.2 Each Party acknowledges and confirms that its agricultural operations are not dependent upon the delivery of P1 FATW and that those operations have ready access to alternative water resources in the event that access to P1 FATW is, with or without notice, reduced, temporarily suspended or terminated.

16.3 Each Party understands and agrees that use of P1 FATW is subject to DPH and RWQCB regulations and shall use the P1 FATW only for uses consistent with and in accordance with all applicable laws, regulations and rules.

16.4 Subject to subsection 11.2 above, to the extent required under applicable regulations each Party, including UWCD, PVCWD and each of their respective customers, shall designate a representative to be the “Site Supervisor” for any P1 FATW used within their respective facilities or service area. The Site Supervisor shall represent the Party as a liaison with UWCD, PVCWD and the City, and shall have the authority to carry out the appropriate use of P1 FATW and any related activities at the Party’s facilities or in its service area. Each Party shall be primarily responsible for on-site supervision, training, and the general handling of the P1 FATW distributed or stored within its facilities or service area. The City, UWCD, and PVCWD shall collaborate and coordinate any needed training, signage, monitoring and reporting for each Party, and UWCD and PVCWD customers in a manner that is least intrusive to the associated
business and/or farming practices, and otherwise meet any RWQCB and DPH requirements.

16.5 Each Party acknowledges and agrees that PI FATW shall only be used on the property expressly designated for use and that the PI FATW shall not be transferred or sold to any third party or any property other than those designated through this Agreement. Provided, however, the Parties acknowledge that PVCWD and UWCD intend to commingle the PI FATW with its other water supplies and deliver that commingled supply to their customers within their designated service areas.

17. **Reduction of Groundwater Use.** The Parties, other than the City, acknowledge and agree that they will make every reasonable business effort to use PI FATW in lieu of their reliance on groundwater. In addition, PVCWD and UWCD shall each make a reasonable effort to encourage their customers to do the same.

18. **Priority of Delivery.** The City, in accordance with the terms and conditions set forth in this Agreement, shall control the quantity of and rate (GPM) at which PI FATW will be made available. The Parties acknowledge that the City intends to maximize the use of the PI FATW to offset in-City potable water demands. However, the Parties also expect that, in accordance with the terms and conditions set forth in this Agreement, a significant majority of the anticipated volume of PI FATW will be available for the Parties other than the City.

19. **FATW Delivery Date.** The City expects to be capable of delivering PI FATW by April of 2015, provided there is no legal challenge or other delay(s) impacting the initiation of delivery and the SMP is available for use. The Parties shall make every reasonable effort to have all necessary facilities and approvals in place so that PI FATW may be delivered concurrent with the completion of the PI FATW Facilities and any associated permitting and regulatory compliance measures.

20. **City Access to PI FATW User Facilities.**

20.1 **Noticed Access.** The City, UWCD and PVCWD, or their agents shall have reasonable access to the Parties' facilities subject to the terms and conditions of this Agreement, to verify compliance with this Agreement and all applicable laws regarding the use of PI FATW under this Agreement. Inspections shall occur during normal business hours. The City shall, in any reasonable manner, give a minimum of forty-eight (48) hours advance notice of an intended inspection, and shall coordinate any inspection to minimize disruption of that Party's business activities.

20.2 **Emergency Access.** To the extent required to respond to an emergency related to the delivery of PI FATW, the City shall have unqualified access to each Party's facilities. For purposes of this provision, the term "emergency" means any event involving PI FATW that presents an immediate threat to public health and safety.
21. Disruption; Modifications.

21.1 Users acknowledge that PI FATW will be subject to occasional disruptions due to AWPF plant outages, repairs, maintenance and emergencies. The City will make every reasonable effort to maintain PI FATW available and otherwise provide all Parties with a minimum of forty-eight (48) hours advance notice of anticipated limitations on the availability of PI FATW. Under no circumstance shall the City, UWCD, or PVCWD be responsible, or held liable for any Party’s or PI FATW User’s real or personal property damages, crop damages, lost profits or lost revenue that may result or arise from any disruption in the availability or delivery of PI FATW to the Party’s facilities.

21.2 Users further acknowledge that the use of PI FATW may be subject to modification as more particularly described in subsections 8.4.6 and 8.5.1 above. PVCWD, UWCD and/or the City will make every reasonable effort under the circumstances to provide the Parties with the maximum advance notice of anticipated modifications related to the provision of PI FATW. Under no circumstance shall the City, UWCD, or PVCWD be responsible, or held liable, for any Party’s or PI FATW User’s real or personal property damages, crop damages, lost profits, lost revenue, consequential, or punitive damages that may result or arise from any modifications or limitations in the availability or delivery of PI FATW to the User’s facilities.

22. Liability and Indemnification.

22.1 The City shall hold harmless, defend and indemnify the other Parties, and their directors, officers, agents, and employees from and against all liabilities, obligations, claims, damages, losses, actions, judgments, suits, regulatory compliance fees, penalties and charges, or other costs and expenses that any User may incur or suffer, excluding lost profits, lost revenue, consequential or punitive damages, resulting from, arising out of, or in connection with the following:

22.1.1 Any negligent act or omission or willful misconduct on the part of the City, its officers, agents, and employees, in the performance of this Agreement; or

22.1.2 Any personal injury or property damage resulting from the failure of the City to provide PI FATW of a quality meeting the minimum applicable federal, state and local standards for agricultural use; or

22.1.3 Any challenge to the approval of this Agreement arising out of compliance with the CEQA; or

22.1.4 Any act or omission relating to the City’s handling, distribution, use or contact with the PI FATW up to and including the each Party’s PODs.

22.2 PVCWD shall hold harmless, defend and indemnify the City, Council members, officers, agents, and employees (“City Indemnified Parties”) from and against
all liabilities, obligations, claims, damages, losses, actions, judgments, suits, regulatory compliance fees, penalties and charges, or other costs and expenses the City or any City Indemnified Party incurs or suffers resulting from, arising out of, or in connection with the following:

22.2.1 Any negligent act or omission or willful misconduct on the part of PVCWD, its governing members, officers, agents, and employees, in the performance of this Agreement; or

22.2.2 Any act or omission on the part of PVCWD relating to the handling, distribution, use or contact with the PI FATW distributed through PVCWD PODs.

22.3 UWCD shall hold harmless, defend and indemnify the City, Council members, officers, agents, and employees ("City Indemnified Parties") from and against all liabilities, obligations, claims, damages, losses, actions, judgments, suits, regulatory compliance fees, penalties and charges, or other costs and expenses the City or any City Indemnified Party incurs or suffers resulting from, arising out of, or in connection with the following:

22.3.1 Any negligent act or omission or willful misconduct on the part of UWCD, its governing members, officers, agents, and employees, in the performance of this Agreement; or

22.3.2 Any act or omission on the part of UWCD relating to the handling, distribution, use or contact with the PI FATW distributed through UWCD PODs.

22.4 Each Party, other than the City, UWCD and PVCWD, shall hold harmless, defend and indemnify the City, UWCD, and/or PVCWD, their Council members, Directors, officers, agents, and employees ("City, UWCD and PVCWD Indemnified Parties") from and against all liabilities, obligations, claims, damages, losses, actions, judgments, suits, regulatory compliance fees, penalties and charges, or other costs and expenses the City, UWCD, or PVCWD or any City, UWCD and PVCWD Indemnified Party incur or suffer resulting from, arising out of, or in connection with the following:

22.4.1 Any negligent act or omission or willful misconduct on the part of the User, its officers, agents, and employees, in the performance of this Agreement; or

22.4.2 Any act or omission on the part of the Party, other than the City, UWCD, or PVCWD, relating to the handling, distribution, use or contact with the PI FATW distributed through the Party's POD.

22.5 Promptly following notice of any claim, the indemnified party shall provide written notice to the indemnifying party of such claim. The indemnifying party shall thereafter defend against such claim. The indemnifying party shall select counsel of its choice. If, following notice of a claim by the indemnified party, the indemnifying party fails to promptly defend such claim, the indemnified party may defend the claim as it deems appropriate and with counsel of its choice, including without limitation,
settlement of the claim on terms the indemnified party deems appropriate, and may pursue remedies as may be available to the indemnified party against the indemnifying party.

22.6 The City's responsibility under section 22.1.3 is limited to providing common legal counsel and defense for all real parties in interest that may be named in a CEQA challenge, or the City's election to settle any such CEQA challenge, in the City's sole discretion. Any party may elect, in its sole discretion, defend itself in such CEQA challenge, at its sole cost and expense.

22.7 The indemnification requirements of this section 22 shall survive the termination of this Agreement.

22.8 Notwithstanding any term or condition set forth in this section 22, under no circumstances shall the City, UWCD or PVCWD, members of their governing bodies, officers, agents, or employees, be liable to any Party, or each or any of them, UWCD customers, or PVCWD customers, for their lost profits, lost revenues, consequential or punitive damages.

23. GMA Regulatory Changes. Subsequent to the City providing notice of the satisfaction or waiver of the condition precedent provided in subsection 4.1 above, should the GMA alter the FATW Management Plan such that the City's right to pump groundwater is materially altered, or the GMA restricts the rate the City may extract groundwater in a manner that imposes a material burden on the City, either financially or in its ability to provide water service to its customers, the Parties shall either develop a prompt, mutually acceptable accommodation, or the City may terminate this Agreement pursuant to section 25.3.2 below.

24. Default. A Party shall be in default if it fails to perform any of its obligations under this Agreement at the time performance is due. The defaulting Party shall have thirty (30) days from receipt of a written demand to cure such non-performance or to notify the non-defaulting Party of the existence of, and basis for, a good faith dispute. If the default is curable but cannot be cured within the 30-day period for reasons beyond the control of the defaulting Party, and the defaulting Party is diligently pursuing reasonable efforts to cure such default, the cure period shall be extended as reasonably necessary to permit performance.

25. Term and Termination.

25.1 Term. This Agreement shall remain in full force and effect from the Effective Date, and for ten (10) years following the Effective Date unless terminated pursuant to this Agreement.

25.2 Renewal. The Parties may, either collectively, individually or in any combination, renew this Agreement for an additional ten (10) year term by providing the City with advance written notice of its election to renew between six (6) and twelve (12) months prior to the end of the term provided in subsection 25.1 above. Any renewal shall be subject to good faith negotiations between the City and those Parties seeking renewal.
over: (a) any amendments, modifications or accommodations desired by the negotiating parties; (b) any amendments, modifications or accommodations reflecting material changes to regulations governing the allowed uses of FATW; and, (c) the magnitude of the then applicable priority use rates and the methodology of adjusting those priority use rates from year to year.

25.3 Termination.

25.3.1 Termination by Mutual Consent. This Agreement may be terminated in its entirety by unanimous written consent of the Parties, including current Users;

25.3.2 Termination under Specified Conditions. Upon one (1) year prior written notice by the City to all other Parties, this Agreement may be terminated in its entirety based upon the conditions set forth in section 23 above.

25.3.3 Termination by Party Other Than City. Upon one (1) year prior written notice by the Party electing to terminate its participation (other than the City) to all other Parties, each Party other than the City may terminate its participation in this Agreement at its sole discretion. Such termination shall be effective upon the later of a) full payment to the City of all outstanding amounts due and payable, or b) one year from the date of the written notice of termination.

25.3.4 City Termination.

25.3.4.1 With as much advance written notice provided to each Party as reasonably practical, this Agreement may be terminated in its entirety if: a) the City has elected not to construct the P1 FATW Facilities provided in Section 5.2 above, and b) Calleguas has provided notice to the City that the SMP will no longer be available to transmit P1 FATW. If terminated pursuant to this provision, the Agreement shall terminate on the date upon which the SMP is no longer available to transmit P1 FATW.

25.3.4.2 The City may terminate this Agreement with 60 days advance written notice if the total use (in AF) of Second through Fourth Priority P1 FATW drops below 50% (fifty percent) of the P1 FATW capacity for longer than 90 (ninety) days, based on the average use over that 90 (ninety) day period.

25.3.5 Termination due to Breach. If one or more of the Parties to this Agreement is in breach of a material provision of this Agreement, and the breach has not been (i) cured within the cure period provided in section 24 above, or (ii) waived in writing by the non-breaching Parties, then this Agreement shall terminate only with respect to the Party in breach, but remain in full force and effect with respect to those not in breach.

25.4 Effect of Termination. The right to terminate as set forth in this section shall be in addition to any other rights that may be available to the City, any other Party to this Agreement, at law or in equity and shall not be construed as an election of
The termination of this Agreement shall not relieve any Party of any liability that accrued prior to such termination. Upon the termination of this Agreement, all of the provisions of this Agreement shall terminate except the indemnity provisions set forth in Section 22 above and any continuing responsibility for payment required hereunder.

26. **New Parties.** Prior to receiving delivery of P1 FATW, a person or entity that is not Party to this Agreement must agree to be bound by the terms and conditions of this Agreement and signify in a writing approved by each of the Parties to this Agreement or their respective counsel that such person or entity is subject to all of the terms and conditions of this Agreement as if an original signatory to this Agreement.

27. **Expansion of AWPF Treatment Capacity.**

27.1 The City acknowledges that AWPF is constructed so that it can generate additional FATW with the addition of certain treatment and appurtenant equipment. The City agrees to work with the Parties to develop funding sources to expand the FATW generating capacity of the AWPF, along with adequate storage capability, to make more complete use of the potential capacity of the AWPF. The Parties acknowledge that the material terms and conditions provided in this Agreement are not to be applicable, in whole or in part, to additional FATW generated from expansion of the AWPF treatment capability.

27.2 This Agreement is limited to the P1 FATW. However, the installation of additional FATW production capability at the AWPF shall not, under any circumstances, relieve the Parties of their rights and obligations under this Agreement.

27.3 If, during the term of this Agreement, P1 FATW Facilities become non-operational for an extended period and additional FATW generating capability has been installed at the AWPF, the City will make reasonable efforts to utilize the additional FATW as a source of P1 FATW to the Parties to the extent practical given the then existing City obligations to deliver both P1 FATW to the Parties and non-P1 FATW dedicated to other users. The intent of this provision is to ensure, to the extent reasonably practical, that the availability of FATW to Parties under this Agreement will continue even where P1 FATW is no longer available as a result of a P1 FATW Facilities failure or non-operation.

28. **Water Rights.** The City expressly warrants that it owns all necessary rights in the P1 FATW that is the subject of this Agreement, including, without limitation, the right to distribute that P1 FATW to the Parties as specified herein. The Parties expressly acknowledge that this Agreement is intended to provide a management plan for the use of P1 FATW and the associated groundwater pumping for which the use of P1 FATW offsets, within the construct of the GMA regulatory oversight within the region. This Agreement does not convey title to or ownership of the P1 FATW or any water rights which the Parties may individually possess or otherwise be entitled, except as expressly provided in this Agreement. This Agreement is not intended to, nor shall it be interpreted to, give up any rights the City holds pursuant to Water Code section 1210, except as may be expressly provided in this Agreement.
29. **Modification.** This Agreement may be modified or amended only by a written instrument signed by all Parties.

30. **Metropolitan Water District.** The Parties acknowledge that the City is a party to an agreement between it, Metropolitan Water District of Southern California ("MWD") and Calleguas through which the City may receive certain contributions from MWD to offset the cost to the City to produce FATW. During the term of this Agreement, the City may also seek to obtain additional contributions from MWD and Calleguas to offset the cost to produce FATW. The Parties acknowledge and agree that these cost offsets are exclusive rights held by the City and no Party, other than the City, is entitled to any current or future contributions from MWD or Calleguas associated with the cost of construction or ongoing operation of the AWPF or the P1 FATW Facilities. The Parties agree that if the City obtains a future cost offset from Calleguas or MWD that is based upon City deliveries of P1 FATW to P1 FATW Users, the Parties shall negotiate in good faith a fair sharing of the cost offset.

31. **Authority to Execute.** All Parties warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity (ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, the each Party hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which a Party is obligated, which breach would have a material effect hereon.

32. **Further Assurances and Cooperation.**

32.1 Each Party to this Agreement shall at its own expense perform all acts and execute all documents as may be necessary or appropriate to fulfill its obligations under this Agreement. The Parties shall cooperate and take all such actions as may be reasonably necessary to carry out the purposes of this Agreement.

32.2 In particular, the Parties acknowledge that the Pump Charge Adjustments referenced in this Agreement are predicated on UWCD and GMA current business methods and practices. Should either the GMA or UWCD materially modify the method of developing and imposing any of the three groundwater extraction charges that compose the Pump Charge Adjustment, the Parties agree to negotiate in good faith a functionally equivalent method of calculating an annual adjustment to Priority User Rates that includes the annual changes in cost of producing groundwater as a result of pump charges imposed by regional entities.

33. **Binding Effect.** This Agreement shall be binding on and inure to the benefit of the Parties, and their respective successors and assigns.

34. **Separability.** If any provision of this Agreement is finally determined by a court to be invalid or unenforceable as written, the provision shall, if possible, be enforced to
the extent reasonable under the circumstances and otherwise shall be deemed deleted from this Agreement. The other provisions of this Agreement shall remain in full force and effect so long as the material purposes of the Agreement and understandings of the Parties are not impaired.

35. **Headings; Paragraph References.** Captions and headings appearing in this Agreement are inserted solely as reference aids and they shall not be deemed to define or limit the scope or substance of the provisions they introduce, nor shall they be used in construing the intent or effect of such provisions.

36. **Uncontrollable Forces and Emergencies.** The City may curtail or reduce the amount of PI FATW delivered through the PI FATW Facilities or any POD, if by reason of acts of God, earthquakes, droughts, floods, storms, explosion, fires, labor troubles, strikes, insurrection, riots, acts of the public enemy, or federal, state, or local law, order, rule or regulation, or any public emergency or disaster, the City is prevented from delivering, in whole or in part, PI FATW to any or all of the Parties.

37. **Opinions and Determinations; Good Faith.** Where the terms of this Agreement provide for action to be based upon opinion, judgment, approval, review or determination of a Party, such terms are not intended to and shall never be construed to permit such opinion, judgment, approval, review or determination to be arbitrary, capricious or unreasonable. The Parties shall each act in good faith in performing their respective obligations as set forth in this Agreement.

38. **Exclusive Use of PI FATW.** The PI FATW delivered to each Party shall be used exclusively on and for the benefit of each Party’s property as specified herein.

39. **Governing Law.** This Agreement shall be deemed a California contract and construed according to California law, regardless of whether this Agreement is executed by any Party in another state or otherwise.

40. **Entire Agreement.** This Agreement contains the entire understanding between the Parties with respect to its subject matter, and supersedes all prior agreements, oral or written, and all prior or contemporaneous discussions or negotiations between the Parties.

41. **Rules of Interpretation.** The terms of this Agreement have been negotiated by the Parties and the language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent. This Agreement shall be construed without regard to any presumption or rule requiring construction against the Party causing such instrument to be drafted, or in favor of the Party receiving a particular benefit under this Agreement. No rule of strict construction shall be applied against any Party to this Agreement.

42. **Assignment.** With the prior written consent of the City, each Party may assign its rights under this Agreement provided:

42.1 The assignee agrees to be bound by all of the obligations set forth herein.
42.2 No assignment shall permit the delivery of P1 FATW to any property other than the assignor’s facilities and for commercial agricultural uses consistent with applicable laws and regulations.

42.3 Without the prior written consent of the City, any assignment shall be ineffective, null and void and shall entitle the City to any and all remedies at law or in equity.

43. **Semi-Annual Meetings.** Commencing with the execution of this Agreement by all Parties, and semi-annually, or as frequently as necessary thereafter, the Parties shall hold joint meetings to review the status and operation of the P1 FATW Facilities.

44. **Attorneys Fees and Costs.** The prevailing party in any dispute arising out of this Agreement may recover its reasonable costs and attorney’s fees and costs, including expert witness fees and costs, expended in connection with such an action.

45. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall, for all purposes, be deemed an original, but which together shall constitute one and the same instrument.

46. **Communications.** All notices, demands, requests and other communications required or permitted by or provided for in this Agreement shall be given in writing to the Parties at their respective addresses set forth below, or at such address as a Party shall designate for itself in writing. Communications may be transmitted: (i) by personal delivery, (ii) by messenger, express, air courier or similar courier service, or (iii) by facsimile. Delivery or service of any communication shall be deemed effective upon receipt. The date of receipt shall be the date shown as the date of delivery in the written proof of delivery by personal, express mail or courier service, or the electronic confirmation sheet for a facsimile. Any communication received after 5:00 p.m. local time, or on a day other than a business day, shall be deemed received on the next business day.

To City:

City of Oxnard  
c/o Utilities Director  
305 West Third St, 3rd Floor  
Oxnard, CA 93030

To PVCWD:

Pleasant Valley County Water District  
c/o General Manager  
154 South Las Posas Rd.  
Camarillo, CA 93010-8570
To UWCD:
United Water Conservation District
c/o General Manager
106 North 8th Street
Santa Paula, CA 93060

To Houweling:
Houweling Nurseries
c/o President
645 W. Laguna Road
Camarillo, CA 93012

To Southland:
Southland Sod
c/o President
PO Box 579
Port Hueneme, CA 93044-0579

To Reiter:
Reiter Affiliated Companies
c/o Strategic Projects Manager
730 South A St.
Oxnard, CA 93030

47. Incorporation by Reference. All exhibits and attachments to this Agreement are expressly made a part of this Agreement as though fully set forth herein.

48. No Waiver. Any failure or delay on the part of any Party to exercise any right under this Agreement shall not constitute a waiver of the right, and shall not preclude such Party from exercising or enforcing the right, or any other provision of this Agreement, on any subsequent occasion.

++Signature on following pages+++
IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto:

SIGNATURES

CITY OF OXNARD

By________________________
Tim Flynn, Mayor

ATTEST:

By________________________
Daniel Martinez, City Clerk

APPROVED AS TO FORM:

By________________________
Stephen M. Fischer, Interim City Attorney

APPROVED AS TO INSURANCE:

By________________________
James Cameron, Risk Manager

APPROVED AS TO CONTENT:

By________________________
Daniel Rydberg, Interim Utilities Director

APPROVED AS TO AMOUNT:

By________________________
Greg Nyhof, City Manager

++ Signatures continue on following pages ++++
UNITED WATER CONSERVATION DISTRICT

By

Approved as to Form:

By

Anthony Trembley,
General Counsel

++++++++Signatures continue on following pages++++++++
PLEASANT VALLEY COUNTY WATER DISTRICT
By

Approved as to Form:
By

John Mathews
General Counsel

+++++++++++Signatures continue on following pages+++++++++++
HOUELING NURSERIES OXNARD, INC.

By

Chris Brocklesby, CFO & Secretary

+++-++Signatures continue on following pages+++++++

Agreement No. A-7651
SOUTHLAND SOD
By Jurgen Gramekow, President

+++Signatures continue on following pages+++
REITER BROTHERS, INC.,

By

Garland Reiter, President

SOUTHERN PACIFIC FARMING, INC.

By

Garland Reiter, President

SOUTHERN PACIFIC FARMING II, LLC,
By its Manager
Southern Pacific Farming, Inc.

By

Garland Reiter, President
## EXHIBIT A
### INITIAL PI FATW ALLOCATIONS

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<th>Priority</th>
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<th>Annual Use or Yearly Second Priority Commitment (AFY)</th>
<th>Minimum Second Priority Commitment (AFY)</th>
<th>Daytime GPM Capacity or Peak Capacity Reservation (GPM)</th>
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Exhibit “B”

Fox Canyon Groundwater Management Agency
Resolution 2013-02
Resolution No. 2013-02
of the
Fox Canyon Groundwater Management Agency

A RESOLUTION CONCERNING THE IMPLEMENTATION OF FIRST PHASE OF THE CITY OF OXNARD'S GREAT PROGRAM AND THE ASSOCIATED RECYCLED WATER MANAGEMENT PLAN

WHEREAS, the Fox Canyon Groundwater Management Agency ("Agency") was established to preserve the integrity of the quality and quantity of groundwater resources within its boundaries; and

WHEREAS, the Agency exercises its regulatory authority through ordinances, resolutions, and implementation of its adopted groundwater management plan; and

WHEREAS, the current Agency groundwater management plan ("GMA Management Plan") was updated and adopted in May 2007; and

WHEREAS, the GMA Management Plan provides an extensive evaluation of the varying conditions in aquifers within the Agency, and an assessment of the water management strategies that various entities propose for implementation within the Agency; and

WHEREAS, the City of Oxnard ("City") is in the final stages of constructing the first phase of its Groundwater Recovery Enhancement and Treatment Program ("GREAT Program"), through which the City will make available approximately 7,000 acre-feet per year ("AFY") of advanced treated recycled water ("RW") for use within the City, the Oxnard Plain and Pleasant Valley area; and

WHEREAS, the GMA Management Plan describes the use of RW generated from the GREAT Program as an important management strategy that will result in improvements to water supply reliability and water quality conditions within the Agency; and

WHEREAS, the primary benefits of the GREAT Program include: (a) generation of approximately 7,000 AFY of new water supplies for the region; (b) increased use of supplemental water supplies and the concomitant reduced groundwater pumping in the areas of the Oxnard Plain and Pleasant Valley subbasins; (c) introduction of RW into the Pumping Trough Pipeline ("PTP") and Pleasant Valley County Water District ("PVCWD") systems which will increase United Water Conservation District's ("UWCD") ability to recharge surface water to the Forebay under certain conditions; (d) shifting groundwater pumping from the coastal and Pleasant Valley areas that are most difficult to recharge, to the Forebay/Near Forebay, which is easily recharged; (e) overall increase in groundwater recharge; and (f) the removal of tons of salts from the Oxnard Plain and Forebay groundwater; and
Agreement No. A-7651

WHEREAS, the Agency adopted Resolutions Nos. 2003-4, and 2003-5 in support of the implementation of the GREAT Program; and

WHEREAS, UWCD’s mission is to manage, protect, conserve and enhance the water resources of the Santa Clara River, its tributaries, and associated aquifers; and

WHEREAS, UWCD has and continues to serve an integral role in evaluating groundwater conditions within the Agency jurisdiction and developing strategies to optimize the management and use of water resources within the region. United’s efforts in this regard are documented in the GMA Management Plan and its ongoing responsibilities in monitoring aquifer conditions and regularly operating and updating Ventura Regional Groundwater Model; and

WHEREAS, UWCD, PVCWD and the City have developed a plan to utilize RW within the UWCD PTP and PVCWD (“PV”) distribution systems, along with direct delivery of RW to agricultural users along the pipeline alignment (collectively, “RW users”). Certain RW users have documented this plan to use RW through an agreement titled, “Full Advanced Treatment Recycled Water Management and Use Agreement” entered into by and between the City, PVCWD, UWCD, Houweling Nurseries, Reiter Affiliated Companies and Southland Sod (“RW Agreement”). The RW Agreement is an attachment to the Agency staff report accompanying this Resolution; and

WHEREAS, the City, UWCD and PVCWD will oversee and coordinate the ongoing delivery of RW to agricultural users in the Pleasant Valley and Oxnard Plain subbasins; and

WHEREAS, as a component of the RW Agreement, the City, UWCD and PVCWD have developed a “Recycled Water Management Impact Analysis Plan” (“RWIA Plan”) pursuant to which basin conditions will be monitored and analyzed, and criteria set under which the City will be able to pump groundwater from City owned wells and the UWCD Oxnard-Hueneme system ("OH System"). The RWIA Plan is set forth in this Resolution and its attachments; and

WHEREAS, the use of RW and the implementation of the RWIA Plan will contribute to the improvement of groundwater supply and quality issues within the Agency; and

WHEREAS, from 2006 to present the City, UWCD and PVCWD collaborated on the implementation of the Conejo Creek - Supplemental M&I Water Program. This program provided PVCWD approximately 6,000 AFY of additional surface water supplies. All or some portion of the groundwater pumping by PVCWD displaced by this additional surface water was then transferred to the Forebay through groundwater delivered to UWCD’s Oxnard-Hueneme Pipeline customers, including the City. The intent of this program was to shift groundwater pumping from the Pleasant Valley subbasin to the Forebay; and

WHEREAS, the data obtained from the implementation of the Supplemental M&I Water Program is valuable in assessing the capabilities and impacts of shifting additional pumping to the Forebay as documented in the RWIA Plan (Attachment A); and
WHEREAS, the GREAT Program Final Environmental Impact Report (SCH #2003011045) assessed the potential environmental impacts associated with Phase I of the GREAT Program and this RWIA Plan, and was certified in September, 2004, concurrent with the City’s approval of the construction of Phase I of the GREAT Program; and

WHEREAS, the Agency Ordinance Code provides for adjustments to extraction allocations; and

WHEREAS, the Agency has considered the environmental effects of the RWIA Plan as shown in the GREAT Program Final Environmental Impact Report and made the findings required by California Environmental Quality Act Guidelines section 15091.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED AND RESOLVED AS FOLLOWS: The Agency grants its approval of the RWIA Plan subject to the following conditions:

1. This Resolution supersedes and restates in its entirety Resolution No. 2003-5.

2. The UWCD has provided the RWIA Plan and Monitoring Plan for the proposed groundwater pumping allowed pursuant to this Resolution. This Resolution and the RWIA Plan contain the following (the RWIA and Monitoring Plan are included as Attachment A and B to this Resolution):

   a. A description of groundwater monitoring program consisting of water level and water quality monitoring that is designed to detect ongoing conditions within the West Las Posas Basin, Pleasant Valley subbasin, the Oxnard Plain subbasin, and the Forebay. Water level and quality data shall be collected on an ongoing basis for use to assess basin conditions and provide for the ongoing use of the Ventura Regional Groundwater Model in evaluating basin conditions.

   b. An assessment of historic and current conditions in the Forebay, Oxnard Plain and Pleasant Valley subbasins and anticipated impacts to those subbasins associated with the implementation of the RWIA Plan.

   c. Limitations or restrictions on Forebay pumping based upon groundwater level triggers and hydrologic conditions.

   d. Annual, or more frequent, coordination meetings and reporting between the City, UWCD, PVCWD and the Agency regarding the annual report and implementation of the RWIA.

   e. All monitoring and reporting shall be overseen and approved by a State of California Licensed Professional Geologist or Engineer.

3. The City shall accrue a Recycled Water Pumping Allocation ("RWPA") (up to 5,200 AFY per year), which allows the City to obtain groundwater in a volume and subject to the conditions provided in this Resolution.

4. The City will receive 1 acre-foot of RWPA for each acre-foot of RW use that results in 1 acre-foot decrease in groundwater pumping by RW users. Further, the City will receive RWPA only in the instance that the reduced groundwater pumping by RW users was
groundwater that would have been pumped based upon a Historical Allocation or Irrigation Efficiency/Allowance Allocation.

5. To the extent practical, PVCWD shall prioritize its use as follows, from highest to lowest priority: (a) Conejo Creek Project supplemental water; (b) RW; (c) surface water from UWCD; and (d) groundwater. However, the Agency acknowledges that Camrosa Water District and PVCWD are currently reevaluating the future availability of water from the Conejo Creek Project. This Resolution creates no obligation for PVCWD to continue purchasing water through the Conejo Creek Project; provided however, if PVCWD does continue to have access to that supply, it should rely on it as a first priority. Further, the Agency recognizes that Camrosa Water District has relied and may continue to rely on the Conejo Creek Project supplies for use within its district. The volume of water available to PVCWD has been and may continue to be reduced as Camrosa uses more and more of that supply within the Camrosa service area. This prioritization of use under this provision shall be documented through the Annual Report required under Section 13.

6. No RWPA will accrue to the City for RW use that displaces groundwater pumping that would have been subject to Agency surcharges.

7. No RWPA shall accrue to the City for RW use that displaces UWCD surface water deliveries to those same users, when and if UWCD is concurrently physically not capable of diverting that volume of surface water to UWCD recharge basins because the recharge basins and the Forebay are full.

8. RW users shall not earn conservation credits on unused Historical Allocation associated with reduced groundwater pumping resulting from use of RW.

9. The City will report annually to the Agency and UWCD the quantity of RW delivered to each RW user. Prior to receipt of any RW, each RW user shall develop a protocol and format acceptable to the RW user, the Agency and the City, to account for the RW user’s annual water use, including RW.

10. The City and RW users will report their water use to the Agency on semi-annual extraction reports as required under Agency rules and procedures, and otherwise consistent with the requirements provided in Section 9 above.

11. City shall pump the RWPA from City owned wells and UWCD’s O-H system.

12. The Agency, the City, UWCD, and PVCWD shall meet during the first week of May of each year ("Coordination Meeting"), and more frequently as necessary, to discuss any needed refinements to the implementation of the RWIA Plan, the current accounting of RWPA, and any expected limitations on the City’s use of RWPA because of Forebay water levels and then existing hydrologic conditions. As a result of these annual meetings, the Agency, the City and UWCD shall establish the locations and volume of
RWPA that shall be available to the City for pumping through the following year, subject to the following conditions:

a. The volume of RWPA that the City is allowed to extract shall be set between 0 and 8,000 AFY (this volume limitation shall include the volume of M&I Supplemental Program water UWCD will pump during the same period as provided in Section 20, below); and

b. To the extent the City is not allowed to pump the cumulative RWPA it has earned, all accrued RWPA shall carry forward until the City is allowed to use the RWPA in its entirety, subject to the conditions of this Resolution; and

c. To the extent the Agency, the City and UWCD do not agree on restrictions on the use of RWPA for any given year, based on the then existing and anticipated hydrologic circumstances, the City shall use the RWPA consistently with UWCD Board of Directors' determination in consultation with the Agency.

d. This provision shall not prevent the parties from meeting more frequently to consider alterations to the implementation of the RWPA Plan given changing hydrologic conditions.

13. In preparation for the Coordination Meeting, the City, UWCD and PVCWD will provide the Agency with an Annual Report by April 1st. The report shall include an assessment of conditions, including water level/water quality data and analysis in the Forebay, Oxnard Plain and Pleasant Valley subbasins and an evaluation of any impacts directly associated with the pumping approved under this Resolution. GMA staff will annually review and report to the Agency Board on compliance and effectiveness of this Resolution.

14. Unless otherwise authorized pursuant to the Coordination Meetings, the City shall not pump its RWPA from the Forebay when evacuated groundwater from storage in the Forebay reaches 80,000 acre-feet (as regularly determined by UWCD), or groundwater levels in the Forebay reach 19 feet above mean sea level. Resumption of pumping of RWPA from the Forebay shall occur as authorized pursuant to the Coordination Meetings as provided in Section 12.

15. City shall be deemed to pump its RWPA before its Historical Allocation.

16. The City may not transfer or assign all or any portion of its RWPA, except to facilitate its use of the RWPA in coordination with UWCD so that RWPA may be pumped from either City owned wells or UWCD's O-H Pipeline facilities.

17. Except as expressly provided in this Resolution, the RWPA does not create a new Agency allocation or credit.

18. Only RW delivered to RW users who have filed all required extraction reports with and have paid all required fees, charges and penalties due and payable to the Agency and UWCD shall be eligible to generate a RWPA for the benefit of the City.
19. The Agency Board may reconsider and modify any provision of this Resolution under the following circumstances: (a) concurrently with the expiration of the “Performance Test” (no later than 2 years after 1st RW Delivery) as provided and as defined in the RW Agreement; (b) a material modification in the terms and conditions set forth in the RW Agreement; (c) to make this Resolution consistent with provisions of any update to the GMA Management Plan that has been approved by the Agency Board; or (d) a finding by the Agency Board that the implementation of this Resolution is having a detrimental impact on the water resources in either the Forebay, Oxnard Plain or Pleasant Valley subbasins. The Agency shall provide a minimum of six months advance notice to the RW users before implementing any material change to this Resolution.

20. Based upon the RWIA provided in Attachment A, 8,000 AFY of RW and M&I Supplemental Program groundwater extraction can be accommodated in the Forebay with little, if any effect on Forebay depletion. 5,200 AFY of RW pumping is proposed as a substitute to the M&I Supplemental Program as part of this Resolution. Therefore, to remain below this impact threshold, no more than 2,800 AFY of groundwater pumping in any one year can be utilized by UWCD from the M&I Supplemental Program account.

21. The City shall cease accruing RWPA on the date in which the first 10-year term of the RW Agreement terminates. Subsequent to the termination of the RW Agreement, the City shall pump its remaining RWPA pursuant to the terms and conditions of this Resolution.

On motion by Director Naumann, seconded by Director Kelley, the foregoing resolution was passed and adopted on this 26th day of June 2013.

By: Charlotte Crane, Vice-Chair, Board of Directors
Fox Canyon Groundwater Management Agency

ATTEST: I hereby certify that the above is a true and correct copy of Resolution 2013-02.

By: Miranda Nobrega, Clerk of the Board

Attachment A - Recycled Water Management Plan Impact Analysis (RWIA) Plan
Attachment B - Monitoring Plan for GREAT Program Forebay and Oxnard Plain Extractions, dated May 2013
Recycled Water Management Impact Analysis (RWIA) Plan

Prepared by UWCD - Dr. Steve Bachman
April 2013

Proposed Extraction Locations and Pumping Schedules: The pumping is proposed to be shared between three sites - UWCD's El Rio facility, Oxnard's Water Yard, and Oxnard's Rice Avenue facility. The El Rio facility is in the Forebay basin and pumps largely from the Upper Aquifer. The Water Yard and Rice Ave facilities are located in the Oxnard Plain basin, near the boundary with the Forebay basin. The Oxnard facilities pump largely from the Upper Aquifer.

Potential Impacts from Pumping: Although the Forebay basin can tolerate significant pumping because it is easily recharged during wet periods, decreased water levels in the Forebay basin and adjacent portions of the Oxnard Plain basin can create temporary impacts. Because Oxnard’s facilities are between the Forebay and the coast, there could be potential impacts at the coastline. These impacts can be divided into local and regional effects. Local effects include lowered groundwater levels and/or water quality changes in nearby wells. For instance, nitrates commonly increase at El Rio during dry periods when there is less recharge and groundwater elevations drop in the Forebay. Regional effects include overall lowered groundwater levels that could extend to the coastline and affect seawater intrusion, which is most likely during successive dry years, when Forebay recharge is significantly reduced while pumping continues. In particular, care must be taken not to pull the Hueneme plume of salty groundwater further inland.

The Fox Canyon Groundwater Management Agency ("FCGMA") has previously approved two programs which authorized increased reliance on Forebay pumping. The results of these programs – the Conejo Creek / Supplemental M&I Program and the Ferro Pit recharge basin acquisition program (FCGMA Resolution No. 2010-08) – have demonstrated that increased pumping from the Forebay can be managed successfully and without any negative consequences.

It is important to note that Oxnard has eliminated its use of the Conejo Creek / Supplemental M&I Program, so much of the pumping in the Forebay that is part of that program will be eliminated. Whereas PVCWD may continue to receive some water from the Conejo Creek project, the transfer of pumping to the Forebay will be significantly decreased. Historically, the Conejo Creek project has produced approximately 6,000 AFY of yield with that groundwater pumping shifted to the Forebay. This program has demonstrated that the Forebay can accommodate this level of increased pumping without negative consequences.

It is also important to note that whereas the GREAT Program will deliver approximately 5,200 AFY of advanced treated recycled water ("RW") which will be eligible for a Recycled Water Pumping Allocation ("RWPA"), the availability of RW for use within PVCWD and the PTP system will enable UWCD to retain some additional surface water to recharge the Forebay. Hence, the impact of pumping the RWPA from the Forebay and the adjacent areas of the Oxnard Plain basin will be mitigated to some extent by the enhanced recharge of the Forebay.

Analysis of Potential Impacts: UWCD has evaluated various pumping scenarios based on historic water uses. In particular, the implementation of the Conejo Creek / Supplemental M&I Program and the Ferro Pit recharge basin acquisition program provide very recent data regarding the Forebay’s ability to accommodate various pumping stresses. Attachment A indicates that as much as 8,000 AFY of additional Forebay pumping under these programs has had minimal effect on the strong correlation between river flow/diversions and groundwater elevations. The Forebay has historically accommodated cycles of lowering water levels during drier years and recharge and rebound of water levels during wetter years.
Thus, the Forebay appears to be able to accommodate RWPA pumping of the magnitude of the supplemental water programs.

Despite the historical accommodation of the Forebay to dry periods, groundwater elevations reach sea level during those periods. Thus, potential impacts of low groundwater elevations during dry periods must be monitored carefully. For instance, if groundwater elevations in the Forebay reach critical depletion levels (80,000 AFY of available storage or 19 feet above sea level), the low groundwater elevations could potentially create a landward gradient that pulls seawater further into the aquifers. It would be prudent to reduce pumping of RWPA water during this time of low water levels.

The regional groundwater gradient in the vicinity of the Forebay is towards the west, parallel to the Santa Clara River. Water elevation does not indicate discernable changes in this gradient caused by any increase in Forebay pumping. The Forebay and adjacent areas already have significant pumping as a background. The added anticipated pumping associated with this project should impose only a relatively small incremental change.

Material local effects, including lowered groundwater levels and/or water quality changes in nearby wells, are not expected to result from the proposed pumping. UWCD has a long history of operations at the El Rio facility which has been accommodated by other pumpers in the area. The high transmissivity of the aquifers in the Forebay tends to mute cones of depression, with the effects of current pumping in the El Rio wellfield only evident during very dry periods. The other mitigating factor is that surface water is spread at El Rio, creating a recharge mound that at times overwhelms and completely masks any cone of depression from the El Rio wells. As described below, UWCD carefully monitors groundwater conditions near the El Rio facility and will be able to detect unexpected effects before causing undesirable consequences. Localized effects would occur in the aquifer due to the increased pumping at the Water Yard and Rice Avenue facilities, but those effects are not likely to impact other currently active production wells that are located over 4,000 feet and over 1,000 feet away.

Monitoring: UWCD currently monitors dozens of wells in the Forebay, Pleasant Valley, and Oxnard Plain subbasins. The monitoring points are a combination of production wells and dedicated monitoring wells, which are generally monitored on a quarterly schedule for groundwater elevations. A portion of these monitoring points also have recording transducers in the wells to measure groundwater levels, with sampling intervals varying from several minutes to several hours. In some producing wells with transducers, real-time data transfer is accomplished through a SCADA system, whereas data from the other transducers are manually downloaded regularly. The groundwater elevation data are regularly entered into UWCD's groundwater elevation database for analysis.

Groundwater quality is sampled from a subset of these wells, generally on a quarterly basis, and entered into UWCD's water quality database for analysis. In addition, the results of water quality sampling from other public water supply wells are downloaded regularly from California Department of Public Health digital records into UWCD's water quality database. UWCD regularly adjusts its monitoring program to address differing conditions, and will continue to do so with this project.

Mitigation of Potential Effects: Given that the reduction in the pumping resulting from the decrease in the Supplemental M&I Program may partially or fully offset anticipated RWPA pumping, aquifer conditions may not change as a result of this project. Forebay groundwater elevations will likely continue to cycle through wet and dry conditions, with full recovery coming when wet-period recharge fills the Forebay subbasin. An uncertainty, however, is the effect of reduced diversions during some years because of future fish flow requirements. The increased recharge to the Forebay from flows diverted from the PV and PTP pipelines to Forebay spreading basins may partially or wholly mitigate this loss to fish flows.
UWCD will continue to pump the Forebay consistent with its historical operations in the Forebay. That is, when Forebay levels are materially depressed and it appears that dry conditions will persist such that Forebay water levels may decline below UWCD’s threshold low water level trigger, pumping of supplemental water such as RWPA may be reduced or suspended until UWCD determines the low water level conditions are or will be ameliorated. As with the M&I Supplemental Water program, UWCD will determine in April-May of each year the amount of RWPA that can be pumped in the following water year (October 1 to September 30) at the three extraction locations. This decision will be based on trends of groundwater elevations and other factors that could influence groundwater elevations, in consultation with FCGMA and the City of Oxnard. Of prime concern in this determination is whether RWPA pumping in the following year could lower groundwater elevations below those that correspond to 80,000 AF of available storage or 19 feet above sea level (measured as an average at two wells - Well Nos. 02N22W12R01S and 02N22W22R02S). However, if groundwater elevations drop further than expected during the year and threaten to go below the 80,000 AF depletion level or 19 feet above sea level, then mid-water-year meeting(s) among parties will be held to determine whether the RWPA pumping schedule should be modified.

To monitor and potentially mitigate any impact of pumping RWPA water from the facilities outside the Forebay (Water Yard and Rice Ave) during a dry period that could pull salty water inland from the Hueneme seawater plume, the Upper Aquifer groundwater gradient between these facilities and the coast will be calculated after each monitoring event of the coastal monitoring wells, but not less than semiannually. If it is established that there is a landward gradient that could pull the Hueneme plume further landward, then UWCD, FCGMA, and Oxnard will meet to discuss altering pumping locations and/or pumping amounts until a seaward gradient is re-established.

Groundwater elevations and water quality will continue to be monitored on the existing schedules by UWCD and the County of Ventura. The monitoring results will be analyzed by UWCD at least twice a year for unexpected effects of the pumping. If unexpected effects are detected that could produce undesirable consequences in the basin, UWCD, FCGMA, and Oxnard will meet to discuss how pumping patterns/amounts will be adjusted to prevent the potential undesirable consequences. Because the pumping will be distributed among several wells within three separate locations, there is significant ability to alter pumping patterns. Undesirable consequences are considered to include drawdown below historical low groundwater elevations at the pumping location, interference with other pumping wells that exceeds normal levels and could cause nearby well owners to lower pump bowls in their well(s), and unexpected water quality changes that impact beneficial uses of the groundwater.

Monitoring Results and Reporting: The results of the project monitoring will be summarized following the end of each calendar year by UWCD. Water level and water quality results will be graphed and mapped for ease of examination. The results will be summarized in the Annual Report and circulated to FCGMA and Oxnard by April 1st.
There is a strong correlation between Forebay depletion (available storage) and diversion of surface water at the Freeman Diversion. Thus, Forebay groundwater elevations are largely driven by climatic factors. When as much as 8,000 A/FY of pumping was added to the Forebay as part of the M&I Supplemental and Ferro programs (shown as columns), there was little if any effect on Forebay depletion.
Monitoring Plan for
GREAT Project Forebay and Oxnard Plain Extractions

May 2013

Proposed Extraction Locations and Pumping Schedules: The pumping is proposed to be shared between three sites – UWCD's El Rio facility, Oxnard's Water Yard, and Oxnard's Rice Ave. facility. The combined Program is limited to pumping amounts up to 8,000 AWF.

Monitoring: United Water currently monitors scores of wells in the Forebay (45 wells for water quality, and 46 wells for water level) and Oxnard Plain (70 wells for water quality and 110 wells for water level) basins (Figures 1 and 2). The monitoring points are a combination of production wells and dedicated monitoring wells. The frequency of monitoring depends upon the location of the well and the aquifer penetrated. The maps indicate the current frequency of monitoring. In addition, the maps also indicate the wells in which transducers are installed. These transducers are generally set to monitor water levels about every four hours. In the producing wells with transducers, real-time data transfer is accomplished through a SCADA system, whereas data from the other transducers are stored and manually downloaded regularly. The groundwater elevation data and water quality analyses are regularly entered into United Water's groundwater elevation and water quality databases for analysis. In addition, the results of water quality sampling from other public water supply wells are downloaded regularly from California Department of Public Health digital records into United's water quality database. United Water regularly adjusts its monitoring program to address differing conditions, and will continue to do so during this project. The trigger of 19 feet above sea level in the Forebay will be measured as an average of two wells (Well Nos. 02N22W12R01S and 02N22W22K02S). Water levels in the western portion of the West Las Posas Basin will be monitored. In addition, when nearby monitoring wells are available, water levels and extractions from individual RW Agreement operators on the Oxnard Plain and Pleasant Valley Basins will be measured.

Monitoring Results and Reporting: The results of the project monitoring will be summarized at the end of each calendar year by United Water, and submitted by April 1st to the Agency as part of the Annual Report. Water level and water quality results will be graphed and mapped for ease of examination. This analysis will be an integral part of the Annual Report required for the GREAT project.
Figure 1. Current United Water groundwater elevation monitoring program. Blue circles indicate locations of pumping for the GREAT project.
Figure 2. Current United Water groundwater quality monitoring program. Additional data are obtained regularly from California Department Public Health for public drinking water wells in the area. Blue circles indicate locations of pumping for the GREAT project.