Golden State
Water Company
A Subsidiary of American States Water Company

Final Report

2010 Urban Water Management Plan

Orcutt

Corporate Office
630 E. Foothill Blvd.
San Dimas CA 91773

August 2011

Kennedy/Jenks Consultants

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Notice of Adoption

A meeting to solicit public comments on the 2010 Urban Water Management Plan for the Golden State Water Company Orcutt System was held on August 11, 2011 at 6 p.m. at the Joe Nightingale School in Santa Maria, California. Notice of this meeting was published in accordance with Section 6066 of the Government Code in the Santa Maria Times on June 8, 15, and 22, 2011.

Copies of the Urban Water Management Plan were made available to the public at the Golden State Water Company Customer Service Office in Santa Maria, California, at least one week prior to the public hearing.

Golden State Water Company, hereby, adopts the 2010 Urban Water Management Plan for the Orcutt System.

William C. Gedney
Vice President, Asset Management
Golden State Water Company

August 31, 2011

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Abbreviations

ac-ft	acre-feet
ac-ft/yr	acre-feet per year
Act	Urban Water Management Planning Act
AMR	automatic meter reading
AWWA	American Water Works Association
Basin	Santa Maria Valley Groundwater Basin
Bay-Delta	Sacramento-San Joaquin River Delta
BMPs	Best Management Practices
Cal EMA	California Emergency Management Agency
CAL Green Code	2010 California Green Building Standards Code
ccf	hundred cubic feet
CCWA	Central Coast Water Authority
CDPH	California Department of Public Health
CII	commercial, industrial, and institutional
CIMIS	California Irrigation Management Information System
COG	Council of Governments
Council or CUWCC	California Urban Water Conservation Council
CPUC	California Public Utilities Commission
DMM	Demand Management Measure
DWF	dry weather flow
DWR	Department of Water Resources (California)
DWR Guidebook	Guidebook to Assist Water Suppliers in the Preparation of a 2010 Urban Water Management Plan
ERP	Emergency Response Plan

ETo	evapotranspiration
GIS	Geographic Information System
gpcd	gallons per capita day
gpd	gallons per day
gpm	gallons per minute
GSWC	Golden State Water Company
HCD	Housing and Community Development
HECW	High Efficiency Clothes Washers
HET	High Efficiency Toilets
ILI	Infrastructure Leakage Index
LCSD	Laguna County Sanitation District
MCLs	maximum contaminant levels
Metropolitan	Metropolitan Water District of Southern California
MF	multi-family
mgd	million gallons per day
mg/L	milligrams per liter
MOU	Memorandum of Understanding (Regarding Urban Water Conservation in California)
N/A	not available, not applicable
NAICS	North American Industry Classification System
O&M	operation and maintenance
OCP	Orcutt Community Plan
RGF	Regional Growth Forecast
RHNA	Regional Housing Needs Allocation
SBCAG	Santa Barbara County Association of Governments
SBX7-7	Senate Bill X7-7, The Water Conservation Act of 2009
SD	Science Discover

SDWA	Safe Drinking Water Act
SF	single-family
Stipulation	*Santa Maria Valley Water Conservation District vs. City of Santa Maria, et al.,* Case No. 770214, Settlement Agreement
SWP	State Water Project
TDS	total dissolved solids
TOC	total organic carbon
USEPA	U.S. Environmental Protection Agency
UWMP	Urban Water Management Plan
WAP	Water Action Plan
WLCD	Water Loss Control Department
WRCC	Western Regional Climate Center
WSS	WaterSense Specification
WWTP	Wastewater Treatment Plant
WY	water year

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Definitions

Chapter 2, Part 2.6, Division 6 of the California Water Code provides definitions for the construction of the Urban Water Management Plans. Appendix A contains the full text of the Urban Water Management Planning Act.

CHAPTER 2. DEFINITIONS

Section 10611. Unless the context otherwise requires, the definitions of this chapter govern the construction of this part.

Section 10611.5. "Demand management" means those water conservation measures, programs, and incentives that prevent the waste of water and promote the reasonable and efficient use and reuse of available supplies.

Section 10612. "Customer" means a purchaser of water from a water supplier who uses the water for municipal purposes, including residential, commercial, governmental, and industrial uses.

Section 10613. "Efficient use" means those management measures that result in the most effective use of water so as to prevent its waste or unreasonable use or unreasonable method of use.

Section 10614. "Person" means any individual, firm, association, organization, partnership, business, trust, corporation, company, public agency, or any agency of such an entity.

Section 10615. "Plan" means an urban water management plan prepared pursuant to this part. A plan shall describe and evaluate sources of supply, reasonable and practical efficient uses, and reclamation and demand management activities. The components of the plan may vary according to an individual community or area's characteristics and its capabilities to efficiently use and conserve water. The plan shall address measures for residential, commercial, governmental, and industrial water demand management as set forth in Article 2 (commencing with Section 10630) of Chapter 3. In addition, a strategy and time schedule for implementation shall be included in the plan.

Section 10616. "Public agency" means any board, commission, county, city and county, city, regional agency, district, or other public entity.

Section 10616.5. "Recycled water" means the reclamation and reuse of wastewater for beneficial use.

Section 10617. "Urban water supplier" means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. This part applies only to water supplied from public water systems subject to Chapter 4 (commencing with Section 116275) of Part 12 of Division 104 of the Health and Safety Code.

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Chapter 1: Plan Preparation

1.1 Background

This Urban Water Management Plan (UWMP) has been prepared for the Golden State Water Company (GSWC) Orcutt System in compliance with Division 6, Part 2.6, of the California Water Code, Sections 10608 through 10657 as last amended by Senate Bill No. 7 (SBX7-7), the Water Conservation Act of 2009. The original bill requiring preparation of an UWMP was enacted in 1983. SBX7-7, which became law in November 2009, requires increased emphasis on water demand management and requires the state to achieve a 20 percent reduction in urban per capita water use by December 31, 2020.

Urban water suppliers having more than 3,000 service connections or supplying more than 3,000 acre-feet per year (ac-ft/yr) for retail or wholesale uses are required to submit a UWMP every 5 years to the California Department of Water Resources (DWR). The UWMP typically must be submitted by December 31 of years ending in 0 and 5, however SBX7-7 extended the UWMP deadline to July 1, 2011 to provide for development by DWR of required evaluation methodologies for determining water demand reduction targets. GSWC prepared an UWMP for the Orcutt System in 1985, 1990, 1995, 2000, and 2005. This 2010 UWMP is an update to the 2005 plan.

GSWC water use targets for the Orcutt System were developed based on Compliance Method 1, as described by SBX7-7 and supplemental guidance from DWR.

The portion of the Urban Water Management Planning Act (Act) that describes the purpose and intent of the UWMP states and declares the following:

Section 10610.2.

(a) The Legislature finds and declares all of the following:

- *(1) The waters of the state are a limited and renewable resource subject to ever-increasing demands.*
- *(2) The conservation and efficient use of urban water supplies are of statewide concern; however, the planning for that use and the implementation of those plans can best be accomplished at the local level.*
- *(3) A long-term, reliable supply of water is essential to protect the productivity of California's businesses and economic climate.*
- *(4) As part of its long-range planning activities, every urban water supplier should make every effort to ensure the appropriate level of reliability in its water service sufficient to meet the needs of its various categories of customers during normal, dry, and multiple dry water years.*
- *(5) Public health issues have been raised over a number of contaminants that have been identified in certain local and imported water supplies.*
- *(6) Implementing effective water management strategies, including groundwater storage projects and recycled water projects, may require specific water quality and salinity targets for meeting groundwater basins water quality objectives and promoting beneficial use of recycled water.*
- *(7) Water quality regulations are becoming an increasingly important factor in water agencies' selection of raw water sources, treatment alternatives, and modifications to existing treatment facilities.*
- *(8) Changes in drinking water quality standards may also impact the usefulness of water supplies and may ultimately impact supply reliability.*
- *(9) The quality of source supplies can have a significant impact on water management strategies and supply reliability.*

(b) This part is intended to provide assistance to water agencies in carrying out their long-term resource planning responsibilities to ensure adequate water supplies to meet existing and future demands for water.

Section 10610.4. The Legislature finds and declares that it is the policy of the state as follows:

(a) The management of urban water demands and efficient use of water shall be actively pursued to protect both the people of the state and their water resources.

(b) The management of urban water demands and efficient use of urban water supplies shall be a guiding criterion in public decisions.

(c) Urban water suppliers shall be required to develop water management plans to actively pursue the efficient use of available supplies.

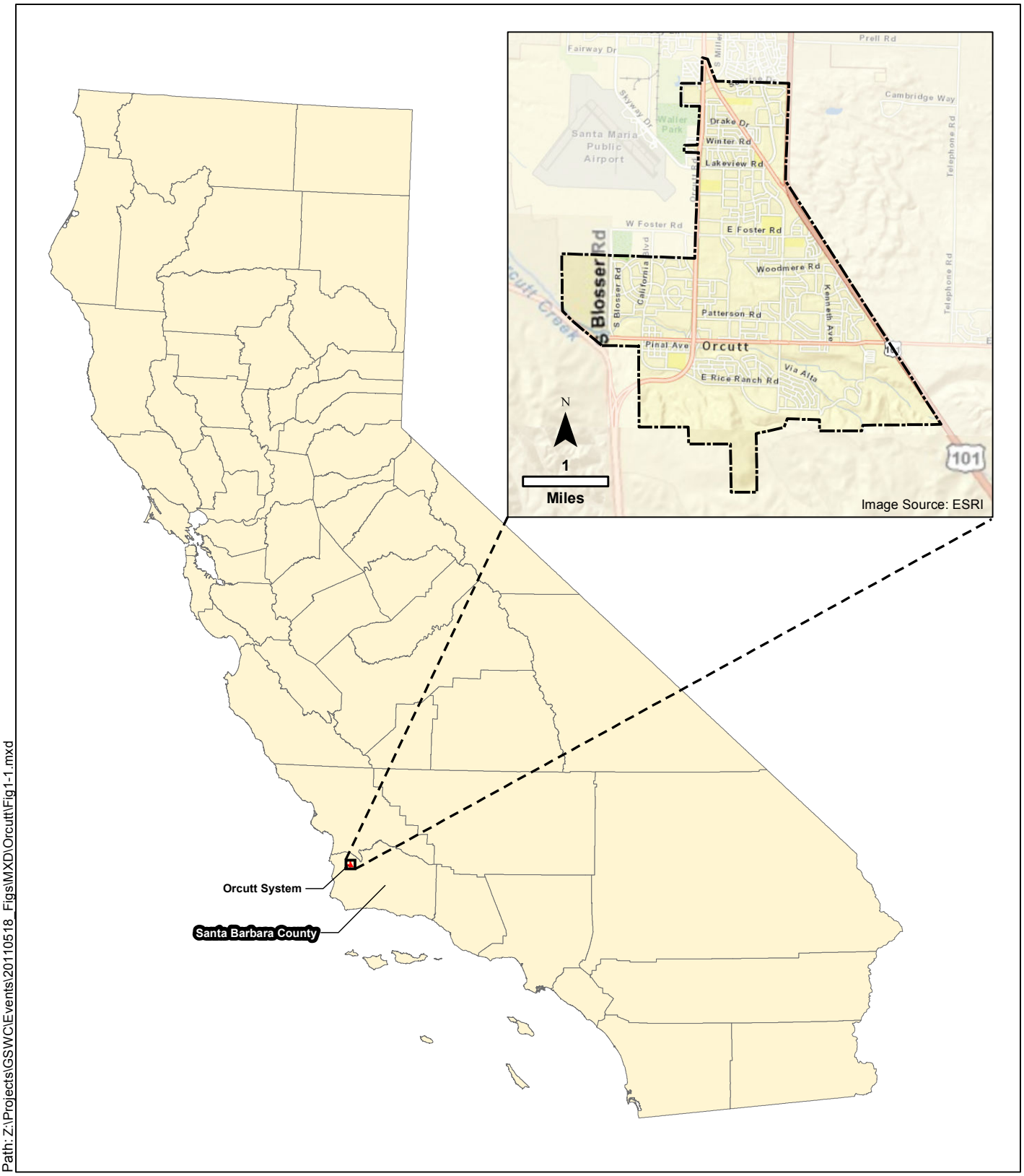
1.2 System Overview

GSWC is an investor-owned public utility company which owns 38 water systems throughout California regulated by the California Public Utilities Commission (CPUC). This UWMP has been prepared for the Orcutt System.

The Orcutt System serves an unincorporated portion of Santa Barbara County south of the City of Santa Maria. The service area is primarily characterized by residential and commercial land use. Figure 1-1 illustrates the location of the Orcutt System.

1.3 Notice of Document Use

GSWC is committed to implementation of the projects, plans, and discussions provided within this document. However, it is important to note that execution of the plan is contingent upon the regulatory limitations and approval of the CPUC and other state agencies. Additionally, this document merely presents the water supply, reliability, and conservation programs known and in effect at the time of adoption of this plan.



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Orcutt Service Area

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2010 Urban Water Management Plan

Orcutt System
Location Map

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Figure 1-1

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1.4 Public Utility Commission 2010 Water Action Plan

The CPUC adopted the 2005 Water Action Plan (WAP) in December 2005 and an updated 2010 WAP in October 2010. The WAP is a general policy document, and specific implementation of policies and programs, along with modifications to CPUC ratemaking policies, and other programs including conservation, long-term planning, water quality and drought management programs are ongoing.

The purpose of the 2010 WAP update was to establish renewed focus on the following elements:

1. Maintain the highest standards of water quality;
2. Promote water infrastructure investment;
3. Strengthen water conservation programs to a level comparable to those of energy utilities;
4. Streamline CPUC regulatory decision-making;
5. Set rates that balance investment, conservation, and affordability; and
6. Assist low-income ratepayers.

GSWC has been actively involved with the CPUC in suggesting optimal approaches to the WAP. In particular, the GSWC has suggested specific implementation measures and modifications to certain CPUC rate setting practices so that regulated utilities are able as a practical matter to achieve the policy objectives of the WAP. These efforts are intended to include further investment in local resource optimization, reduced reliance on imported supplies, enhanced conservation, and intensification of company-wide efforts to optimize water resource mix, including planned water supply projects and programs to meet the long-term water supply needs of GSWC's customers.

1.5 Agency Coordination and Public Participation

The 2010 UWMP requirements for agency coordination include specific timetables and requirements as presented in this chapter. The required elements of the Act are as follows:

Section 10620.

(d) (2) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

Section 10621.

(b) Every urban water supplier required to prepare a plan pursuant to this part shall, at least 60 days prior to the public hearing on the plan required by Section 10642, notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan. The urban water supplier may consult with, and obtain comments from, any city or county that receives notice pursuant to this subdivision.

Section 10635.

(b) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

Section 10642. Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of the plan. Prior to adopting a plan, the urban water supplier shall make the plan available for public inspection and shall hold a public hearing thereon. Prior to the hearing, notice of the time and place of hearing shall be published within the jurisdiction of the publicly owned water supplier pursuant to Section 6066 of the Government Code. The urban water supplier shall provide notice of the time and place of hearing to any city or county within which the supplier provides water supplies. A privately owned water supplier shall provide an equivalent notice within its service area.

Table 1-1 lists the agencies with which coordination occurred while preparing this 2010 UWMP. The initial coordination included the distribution of letter notification and request for information as indicated in Table 1-1 followed by telephone correspondence as necessary to obtain required supporting data for the preparation of the UWMP. Table 1-1 also provides a checklist of agencies that have been provided the notifications and access to the documents.

Table 1-1: Coordination with Agencies

Agency	Contacted for Assistance	Participated in UWMP Development	Commented on the Draft	Attended Public Meetings	Received Copy of the Draft	Sent Notice of Intent to Adopt	Not Involved/ No Information
Santa Barbara County Association of Governments	✓						
County of Santa Barbara	✓					✓	
City of Santa Maria	✓	✓				✓	
Laguna County Sanitation District	✓	✓				✓	
Central Coast Water Authority	✓					✓	

Note:
This table is based on DWR's *Guidebook to Assist Water Suppliers in the Preparation of a 2010 Urban Water Management Plan* (DWR Guidebook) Table 1.

1.6 Plan Adoption and Submittal

Public participation and plan adoption requirements are detailed in the following sections of the Act:

> *Section 10621.*
> *(c) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10640)*
>
> *Section 10642. After the hearing, the plan shall be adopted as prepared or as modified after the hearing.*
>
> *Section 10644.*
> *(a) An urban water supplier shall submit to the department, the California State Library, and any city or county within which the supplier provides water supplies a copy of its plan no later than 30 days after adoption. Copies of amendments or changes to the plans shall be submitted to the department, the California State Library, and any city or county within which the supplier provides water supplies within 30 days after adoption.*
>
> *Section 10645. Not later than 30 days after filing a copy of its plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.*

A public hearing to review the 2010 Orcutt System UWMP was held on August 11, 2011 at the Joe Nightingale School in Santa Maria, California. This public session was held for review and comment on the draft UWMP before approval by GSWC. Legal public notices for the public hearing and availability of the plan for review and comment were published in advance in the local newspapers in accordance with Government Code Section 6066. Notifications were also posted to GSWC's website (www.gswater.com).

In addition, notifications of preparation of the plan were provided to cities and counties within which GSWC provides water at least 60 days in advance of the public hearing as required by the Act. Copies of the draft plan were available to the public for review at GSWC's Santa Maria Customer Service office and posted on GSWC's website. Appendix B contains the following:

- Copy of the public hearing notice from the local newspaper,
- Screen capture of website posting of the public hearing notice,
- Notifications and follow-up correspondence provided to cities and counties, and
- Meeting minutes from the public hearing pertaining to the UWMP.

The final UWMP, as adopted by GSWC, will be submitted to DWR, the California State Library, and cities and counties within which GSWC provides water within 30 days of adoption. Likewise, copies of any amendments or changes to the plan will be provided to the aforementioned entities within 30 days. This plan includes all information necessary to meet the requirements of California Water Code Division 6, Part 2.6 (Urban Water Management Planning). Adopted copies of this plan will be made available to the public at GSWC's Santa Maria Customer Service Office no later than 30 days after submitting the final UWMP to DWR.

1.7 UWMP Preparation

GSWC prepared this UWMP with the assistance of its consultant, Kennedy/Jenks Consultants, as permitted by the following section of the Act:

> *Section 10620.*
> *(e) The urban water supplier may prepare the plan with its own staff, by contract, or in cooperation with other governmental agencies.*

During the preparation of the UWMP, documents that have been prepared over the years by GSWC and other entities were reviewed and information from those documents incorporated, as applicable, into this UWMP. The list of references is provided in Chapter 9.

The adopted plan is available for public review at GSWC's Santa Maria Customer Service Office as required by Section 10645. Copies of the plan were submitted to DWR, cities and counties within the service area, the State Library, and other applicable institutions within 30 days of adoption as required by Section 10644. Appendix H includes copies of the transmittals included with the adopted plan as supporting documentation.

1.8 UWMP Implementation

> *Section 10643. An urban water supplier shall implement its plan adopted pursuant to this chapter in accordance with the schedule set forth in its plan.*

GSWC is committed to the implementation of this UWMP concurrent with the scheduled activities identified herein as required by Section 10643 of the Act. Each system is managed through GSWC District offices and is afforded staff with appropriate regulatory approval to properly plan and implement responses identified in this document and other key planning efforts to proactively address water supply reliability challenges. Furthermore, each region of GSWC has a conservation coordinator that oversees the implementation of Demand Management Measures (DMMs) through GSWC participation in the California Urban Water Conservation Council's (Council or CUWCC) Memorandum of Understanding (MOU).

1.9 Content of the UWMP

This UWMP addresses all subjects required by Section 10631 of the Act as defined by Section 10630, which permits "levels of water management planning commensurate with the numbers of customers served and the volume of water supplied." All applicable sections of the Act are discussed in this UWMP, with chapters of the UWMP and DWR Guidebook Checklist cross-referenced against the corresponding provision of the Act in Table 1-2. Also, a completed copy of the 2010 Urban Water Management Plan Checklist, organized by subject is included as Appendix J.

Table 1-2: Summary of UWMP Chapters and Corresponding Provisions of the California Water Code			
Chapter	**Corresponding Provisions of the Water Code**		**DWR Guidebook Checklist No.**
Chapter 1: Plan Preparation	10642	Public participation	55 and 56
	10643	Plan implementation	58
	10644	Plan filing	59
	10645	Public review availability	60
	10620 (a)–(e)	Coordination with other agencies; document preparation	4
	10621 (a)–(c)	City and county notification; due date; review	6 and 54
	10621 (c)	UWMP adoption	7 and 57
	10620 (f)	Resource optimization	5
Chapter 2: System Description	10631 (a)	Area, demographics, population, and climate	8-12
Chapter 3: Water Use	10608	Urban water use targets	1
	10631 (e), (k)	Water use, data sharing	25 and 34
	10631 (k)	Data to wholesaler	33
Chapter 4: Water Supply	10631 (b)–(d), (h), (k)	Water sources, reliability of supply, transfers and exchanges, supply projects, data sharing	13-21, 24, 30, 33
	10631 (i)	Desalination	31
	10633	Recycled water	44-51
Chapter 5: Water Quality	10634	Water quality impacts on reliability	52
Chapter 6: Water Supply Reliability	10631 (c) (1)	Water supply reliability and vulnerability to seasonal or climatic shortage	22
	10631 (c) (2)	Factors resulting in inconsistency of supply	23
	10635 (a)	Reliability during normal, dry, and multiple-dry years	53
Chapter 7: Conservation Program and Demand Management Measures	10631 (f)–(g), (j), 10631.5, 10608.26 (a), 10608.36	Conservation Program, DMMs, and SBX7-7 water use reduction plan	2, 26-29, 32
Chapter 8: Water Shortage Contingency Plan	10632	Water shortage contingency plan	35-43

1.10 Resource Optimization

Section 10620(f) of the Act asks urban water suppliers to evaluate water management tools and options to maximize water resources and minimize the need for imported water from other regions. GSWC understands the limited nature of water supply in California and is committed to optimizing its available water resources. This commitment is demonstrated through GSWC's use of water management tools throughout the company to promote the efficient use of water supplies from local sources, wherever feasible. Additionally, GSWC takes efforts to procure local reliable water supplies wherever feasible and cost effective. GSWC is a regular participant in regional water resources planning efforts, and has developed internal company water resource plans and robust water conservation programs.

GSWC has implemented a water conservation program, deployed through each region of the company. In an effort to expand the breadth of offered programs, GSWC partners with wholesale suppliers, energy utilities, and other agencies that support water conservation programs.

Chapter 2: System Description

Chapter 2 summarizes the Orcutt System's service area and presents an analysis of available demographics, population growth projections, and climate data to provide the basis for estimating future water requirements.

The water system description requirements are detailed in the following section of the Act:

> *Section 10631*
>
> *(a) Describe the service area of the supplier, including current and projected population, climate, and other demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available.*

2.1 Area

The Orcutt System is located in Santa Barbara County and serves an unincorporated portion of the county south of the City of Santa Maria. Figure 2-1 illustrates the service area of the Orcutt System. The service area is primarily characterized by residential and commercial land use.

2.2 Demographics

The Orcutt community was chosen as demographically representative of the Orcutt Service Area. According to 2000 U.S. Census Data, the median age of Orcutt's residents is 40.4 years. Orcutt has an average household size of 2.74 and a median household income of approximately $53,251 in 1999 dollars or $69,546 in 2010 dollars.

As detailed in the Orcutt Community Plan (OCP) 2004 (OCP, Amended 2004), residential development represents the predominant land use in Orcutt, with 97 percent of the existing housing falling into the single-family category. This preference for single-family housing is expected to continue; however, in the future, development of affordable multi-family housing units may potentially be implemented within the existing Orcutt service area. According to OCP, the Orcutt area has experienced average annual population growth of 4.1 percent between 1980 and 1990. According to Santa Barbara County Association of Governments' (SBCAG) Regional Growth Forecast 2005-2040 (SBCAG, 2007), the Orcutt area is expected to experience average annual population growth of 0.64 percent from 2010 through 2035.

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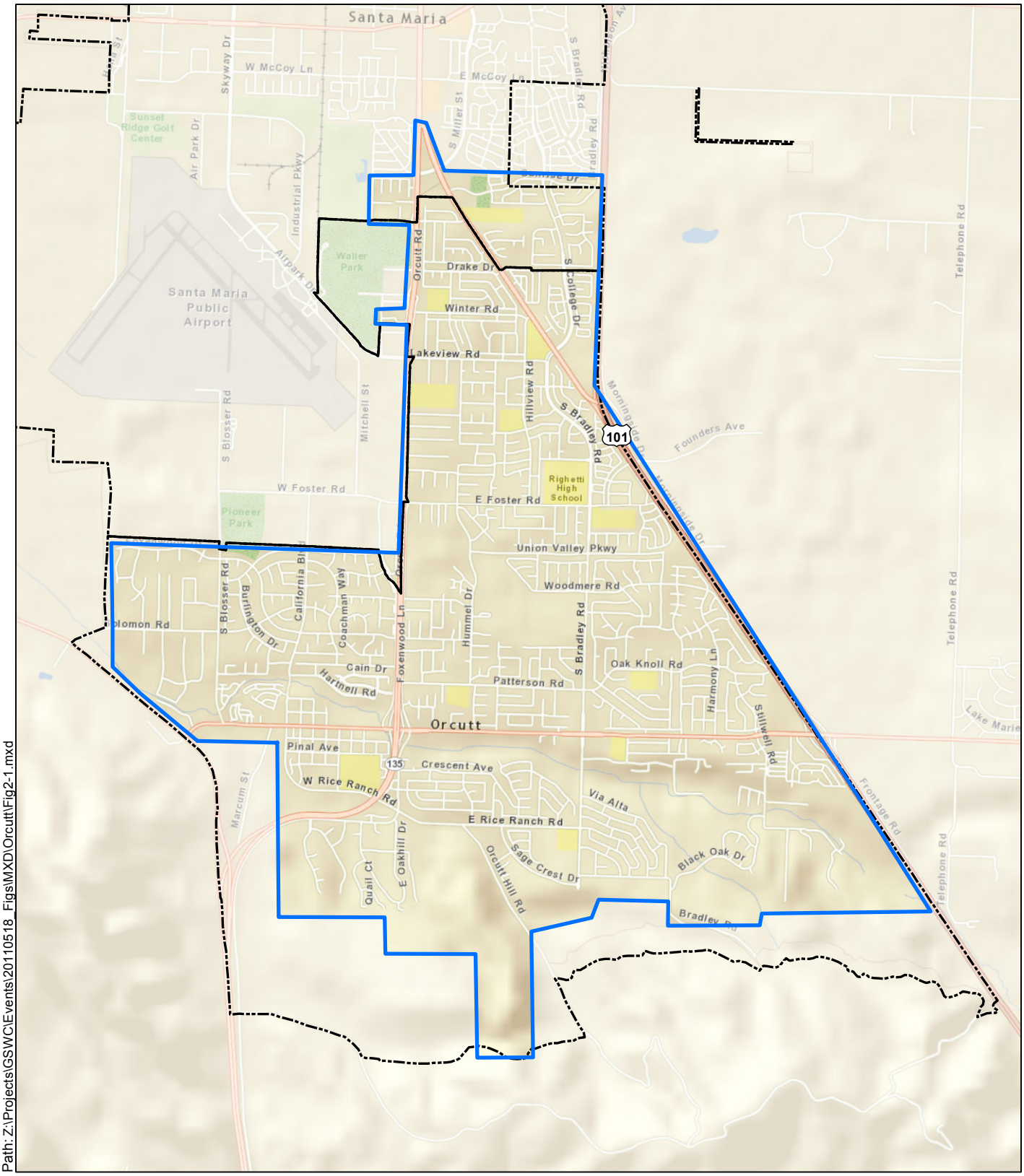

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Legend

- Orcutt System Boundary
- City Boundary

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Golden State Water Company
2010 Urban Water Management Plan

Orcutt System Service Area

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Figure 2-1

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2.3 Population, Housing and Employment

Population data presented in the OCP and SBCAG (SBCAG, 2007) were used to develop estimates of future population and housing projections.

Projected population, housing, and employment data are obtained from the SBCAG's Regional Growth Forecast 2005-2040 (SBCAG, 2007). SBCAG's methodology is described below, followed by the derivation of population projections for the Orcutt System. The current population projections are based on 2000 U.S. Census Data.

2.3.1 SBCAG Population Projection Development Methodology

SBCAG developed the RGF in 2007. SBCAG's population projections are driven by economic and demographic information and constrained by examining local government's plans, policies, and regulations affecting land development. The population forecast starts with the 2000 U.S. Census to estimate population by age group.

The constraints section limits the potential rate and availability of new housing by assessing the potential number of new units based on local land use plans. The constraints category also converts population growth from the population forecast into housing demand by assuming a person per household density factor. These factors change over time accounting for increased density. The constraints category limits the population forecast through the availability of housing.

Population, household, and employment projections in the RGF are given in 5-year increments. The projections and growth rates listed in the RGF for the Santa Maria unincorporated area were utilized for the Orcutt community. The portion of the Santa Maria unincorporated area applied to the Orcutt System was based on comparing year 2000 data in the RGF with data from the 2000 U.S. Census.

As a general note, a portion of the OCP area is located within the sphere of influence of the City of Santa Maria, and outside GSWC's current CPUC-certificated service area. It is possible that some portion of the anticipated growth which GSWC assumes it will serve in the future, will instead be annexed into and receive water service through the City of Santa Maria. However, for the purpose of this UWMP, the population growth estimates and related water supply needs assume these areas will obtain their water supply from GSWC.

2.3.2 Historical and Projected Population

Figure 2-2 details the census tracts within the Orcutt System.

As concluded from analysis of the Regional Growth Forecast demographic data, the Orcutt System has an estimated projected population of 28,763 people in 2010. This population is expected to reach 33,799 by 2035. SBCAG-derived census-tract projections were used to determine historical and projected population from 1997 to 2035. Appendix G, Table G-2 contains all of the SBCAG's historic and projected demographic data for each census tract number from 2000 through 2035. Figure 2-2 details the census tracts within the Orcutt System.

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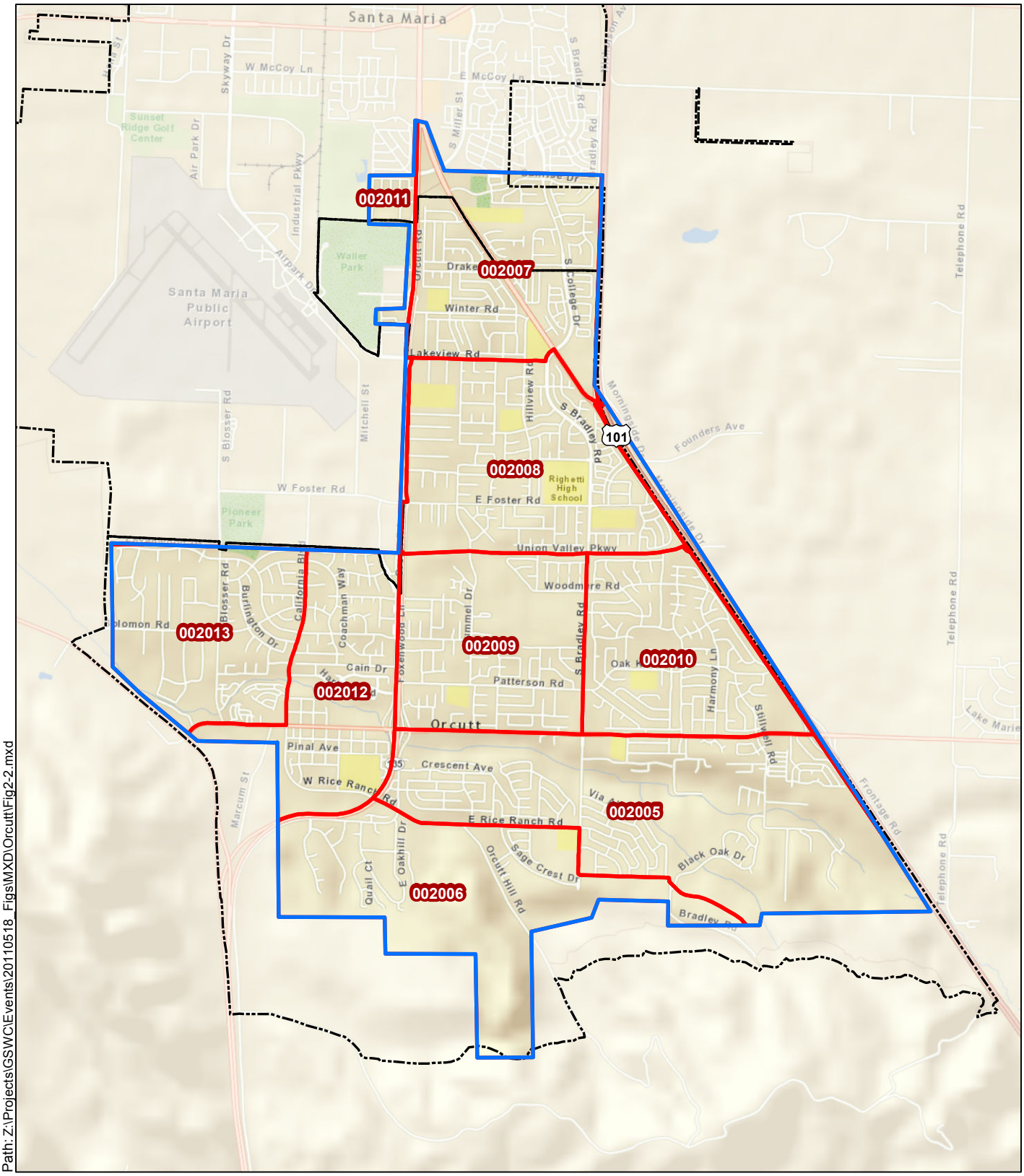

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- Orcutt System Boundary
- Census Tract Boundary within Service Area
- City Boundary

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2010 Urban Water Management Plan

Orcutt System Service Area with Census Tract Boundary

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Figure 2-2

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Annual estimates of historical population between 1997 and 2010 required for SBX7-7 are provided in Table 2-1. The population estimates were developed following DWR *Technical Methodology 2: Service Area Population*. GSWC is considered a Category 2 water supplier because they maintain a Geographic Information System (GIS) of their service area. The per-connection methodology described in Appendix A of *Technical Methodology 2* was used since annual estimates of direct service area population from SBCAG or other local government agencies were not available. This method estimates annual population by anchoring the ratio of year 2000 residential connections to the year 2000 U.S. Census population. This ratio was then linearly scaled to active residential connections data to estimate population for the non-census years in which water supply data were available: 1997 through 2010. The residential billing category includes traditional single-family residential connections; however since GSWC does not have a specific multi-family billing category that only encompasses the apartment complexes and other types of multi-family housing units, the ratio of year 2000 U.S. Census total population per residential connections was used for projecting population growth.

Table 2-1: Orcutt System Historical Population

Year	Service Area Population
1997	27,404
1998	27,520
1999	27,614
2000	27,654(1)
2001	27,681
2002	27,681
2003	27,681
2004	27,641
2005	28,033
2006	28,374
2007	28,420
2008	28,479
2009	28,670
2010	28,761

Note:
1. Population for year 2000 from 2005 UWMP.

As concluded from analysis of SBCAG demographic data, the Orcutt System had an estimated population of 28,761 in 2010 and is expected to reach 33,797 by 2035. A summary of historic and projected population, households, and employment within the Orcutt System (based on SBCAG growth rate data) is presented in Table 2-2 and illustrated in Figure 2-3. To ensure consistency between the historical and projected population data required for this plan, projections for 2015 through 2035 were adjusted relative to the 2010 population benchmark using the appropriate SBCAG percentage growth rates in each category. For this reason, SBCAG projections after 2000 for the Census Tracts do not correlate precisely with the estimates included in this plan.

Table 2-2: Orcutt System Historical and Projected Population

Year	Service Area Population	Service Area Household	Service Area Employment	Data Source
2005	28,033	9,255	4,241	GSWC
2010	28,761	9,579	5,321	GSWC
2015	29,739	9,906	5,527	SBCAG
2020	30,839	10,234	5,669	SBCAG
2025	31,826	10,561	5,963	SBCAG
2030	32,813	10,888	6,336	SBCAG
2035	33,797	11,216	6,733	SBCAG

Notes:
1. This table is based on the DWR Guidebook Table 2.
2. Dashed line represents division between historic and projected data.
3. Growth rates for population, household, and employment are based on SBCAG projections.

In summary, from 2005 to 2010 the Orcutt population increased 2.6 percent, which is a growth rate of approximately 0.5 percent per year. By 2035, population is projected to increase by a total of 17 percent, from 28,761 in 2010 to 33,797 in 2035, which is a 0.7 percent growth rate per year. The number of households is expected to grow 17 percent during the same period, which equates to an annual household growth rate of 0.7 percent. Employment is expected to grow 26 percent during the same period, which equates to an annual employment growth rate of 1 percent. Areas with the highest projected growth increases are also the areas that will see the largest increase in water use. SBCAG's demographic analysis does not project any planned residential developments for future years. As discussed in the demographics section, new development and redevelopment projects in the Orcutt System may contribute to future growth.

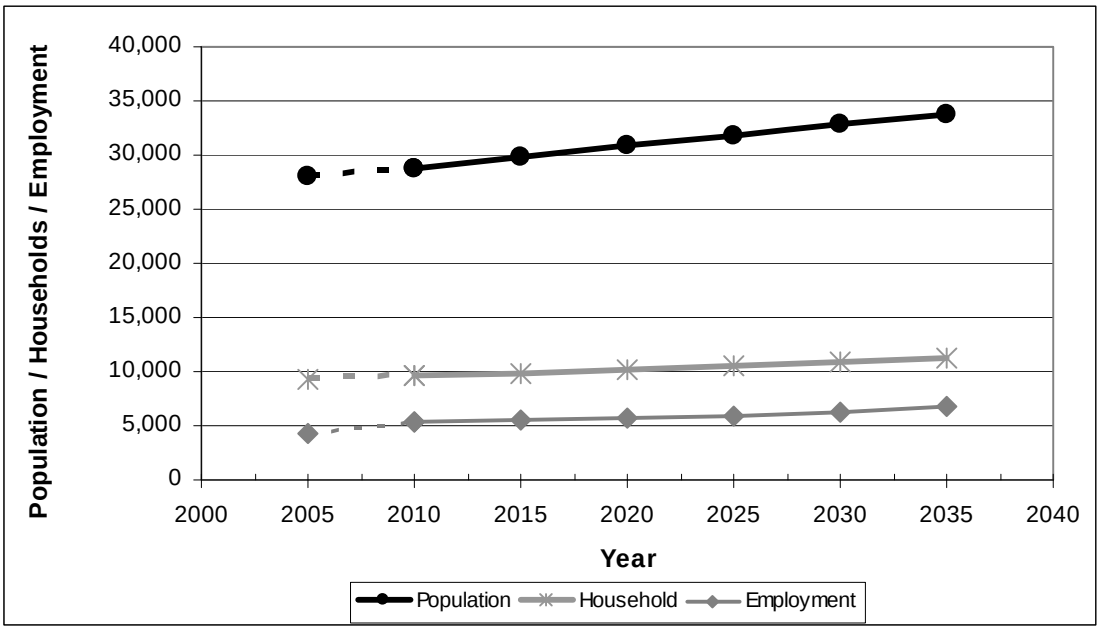

Figure 2-3: Historical and Projected Population, Household and Employment Growth within the Orcutt System

2.4 Climate

The Orcutt service area has cool, humid winters and mild, moderately humid summers. The Western Regional Climate Center (WRCC) maintains historic climate data for some cities. WRCC does not have a station at Orcutt; therefore the Santa Maria station, 5 miles from Orcutt, was utilized for the climate data analysis.

The WRCC's website (www.wrcc.dri.edu) maintains historical climate records for the past 60 years for Santa Maria. Table 2-3 presents the monthly average climate summary based on the 60-year historical data for the Orcutt system.

In the winter, the lowest average monthly temperature is approximately 39 degrees Fahrenheit. The highest average monthly temperature reaches approximately 74 degrees Fahrenheit in the summer. Figure 2-4 presents the monthly average precipitation based on 30-year historical data. The rainy season is typically from November to March. Monthly precipitation during the winter months ranges from 1 to 3 inches. Low humidity occurs in the summer months from May to October. The moderately hot and dry weather during the summer months typically results in moderately high water demand.

Similar to the WRCC in the Orcutt area, the California Irrigation Management Information System (CIMIS) website (http://wwwcimis.water.ca.gov) tracks and maintains records of evapotranspiration (ETo) for select cities. ETo statistics used for this system come from the Sisquoc Station. ETo is a standard measurement of environmental parameters that affect the water use of plants. ETo is given in inches per day, month, or year and is an estimate of the evapotranspiration from a large field of well-watered, cool-season grass that is 4- to 7-inches tall. The monthly average ETo is presented in inches in Table 2-3. As the table indicates, a greater quantity of water evaporated during May, June, July and August, which may result in high water demand.

Table 2-3: Monthly Average Climate Data Summary for Orcutt System				
Month	Standard Monthly Average ETo[(1)] (inches)	Average Total Rainfall (inches)	Average Temperature (degrees Fahrenheit)	
			Max	Min
January	2.1	2.51	63.2	38.9
February	2.4	2.76	64.3	40.9
March	3.8	2.27	64.8	42.0
April	4.3	1.03	66.9	43.4
May	5.9	0.28	68.3	46.9
June	6.1	0.04	70.7	50.1
July	6.3	0.03	72.8	53.1
August	5.7	0.03	73.3	53.7
September	4.6	0.20	74.4	52.2
October	3.4	0.50	73.5	48.0
November	2.4	1.31	69.3	42.7
December	1.7	1.86	64.3	38.6

Note:

1. Evapotranspiration (ETo) from http://www.cimis.water.ca.gov/cimis/welcom.jsp.

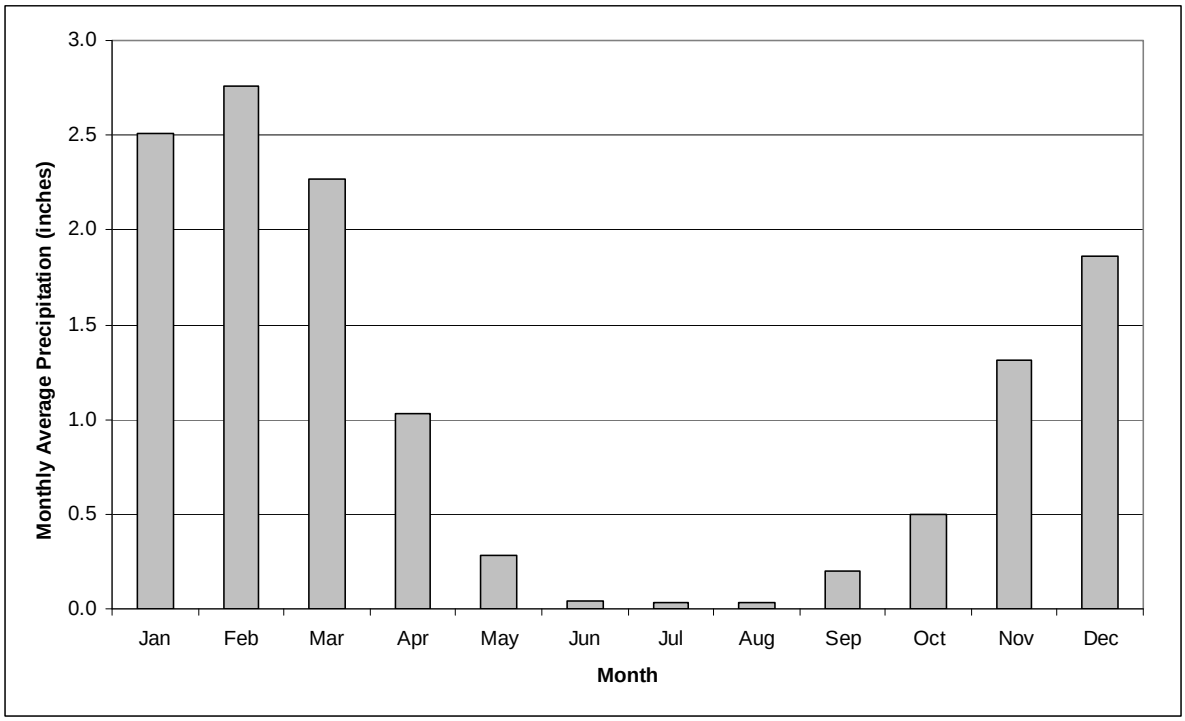

Figure 2-4: Monthly Average Precipitation in Orcutt System Based on 30-Year Historical Data

Chapter 3: Water Use

Section 10631(e) of the Act requires that an evaluation of water use be performed for the Orcutt System. The Act states the following:

> *Section 10631.*
> *(e) (1) Quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, identifying the uses among water-use sectors including, but not necessarily limited to, all of the following uses:*
> *(A) Single-family residential*
> *(B) Multifamily*
> *(C) Commercial*
> *(D) Industrial*
> *(E) Institutional and governmental*
> *(F) Landscape*
> *(G) Sales to other agencies*
> *(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof*
> *(I) Agricultural.*
> *(2) The water-use projections shall be in the same five-year increments described in subdivision (a).*

In addition, Section 10631(k) directs urban water suppliers to provide existing and projected water-use information to wholesale agencies from which water deliveries are obtained. The Act states the following:

> *Section 10631.*
> *(k) Urban water suppliers that rely upon a wholesale agency for a source of water, shall provide the wholesale agency with water-use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision (c). An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (c).*

In conjunction with projecting total water demand, each urban water retail supplier must develop urban water use targets and an interim urban water use target in accordance with SBX7-7. SBX7-7 amends the Act requiring statewide water savings of 20 percent by the year 2020. The bill sets specific methods for calculating both the baseline water usage and water use targets in gallons per capita day (gpcd).

Section 10608.20(e) of the Act states the following:

> *Section 10608.20.*
>
> *(e) An urban retail water supplier shall include in its urban water management plan required pursuant to Part 2.6 (commencing with Section 10610) due in 2010 the baseline daily per capita water use, urban water use target, interim urban water use target, and compliance daily per capita water use, along with the bases for determining those estimates, including references to supporting data.*

This chapter presents an analysis of water use data with the resulting projections for future water needs and water use targets in accordance with SBX7-7 for the Orcutt System.

3.1 Historical Water Use

Historical water use data from 1994 to 2010 were analyzed in order to provide an overview of historical water usage for the Orcutt System. Figure 3-1 shows the historical number of metered service connections and water use for the Orcutt System from 1994 through 2010.

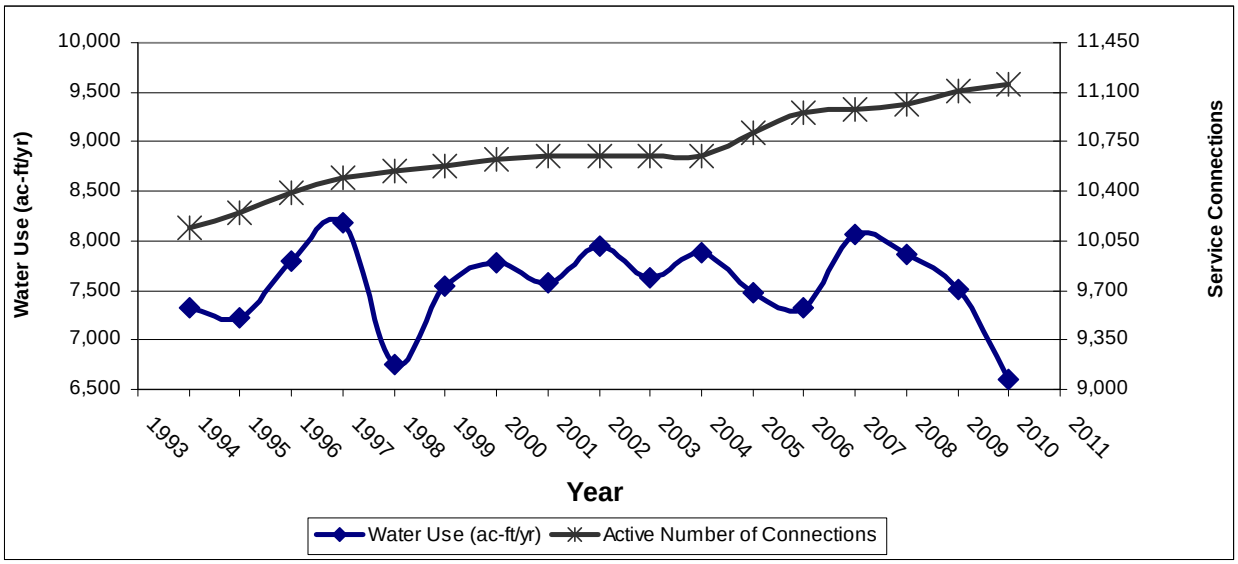

Figure 3-1: Historical Number of Metered Service Connections and Water Use

Figure 3-1 shows a decline in water use beginning in 2007 with an approximate 18 percent decline from 2008 to 2010. Review of similar data from other systems suggests the decline in water use has been widespread and is not isolated to the Orcutt System. The recent decline in water use is not yet fully understood, but may be a result of several factors including: several years of cool summers, a statewide drought that forced mandatory water reductions and conservation in many areas, and an economic downturn that has caused many businesses to close and increased housing vacancies.

The customer billing data for the system consists of annual water sales data. The water sales data was sorted by customer type using the assigned North American Industry Classification System (NAICS) codes. Then, the sorted water sales were further grouped into the following eight categories: agricultural, single-family, multi-family, industrial, commercial,

institutional/government, landscape, and other. Table 3-1 shows the historical water use by customer type.

Table 3-1: Historical Water Use (ac-ft/yr) by Customer Type

YEAR	Single-Family	Multi-Family	Commercial	Industrial	Institutional/ Government	Landscape	Agriculture	Other	Total
1994	6,234	192	180	1	350	364	0	0	7,321
1995	6,109	187	197	2	341	396	0	0	7,232
1996	6,595	208	188	8	393	412	0	0	7,804
1997	6,878	236	196	15	391	459	0	0	8,175
1998	5,683	210	156	12	334	356	0	0	6,751
1999	6,310	226	174	9	431	387	0	0	7,537
2000	6,493	242	231	11	402	403	0	2	7,784
2001	6,301	273	183	9	384	414	0	6	7,570
2002	6,559	276	202	11	396	488	0	12	7,944
2003	6,290	240	186	17	419	451	0	21	7,624
2004	6,458	258	259	29	424	427	0	26	7,881
2005	6,132	246	211	16	405	442	0	26	7,478
2006	5,982	248	208	28	371	460	0	28	7,325
2007	6,534	260	218	21	425	567	1	37	8,063
2008	6,360	241	177	21	404	613	0	41	7,857
2009	6,131	234	151	26	337	593	0	41	7,513
2010	5,415	208	140	29	284	486	0	32	6,594

3.2 Water Use Targets

This section includes documentation of the water use targets commensurate with enactment of SBX7-7. The 2010 UWMP update is the first in which such targets have been required to be documented. The projected water use for each urban retail water supplier is required to be reduced by a total of up to 20 percent by the year 2020 from a calculated baseline gpcd as required by SBX7-7. The steps described throughout this section follow the guideline methodologies developed by DWR over the past year, as documented in Section D of the *Guidebook to Assist Urban Water Suppliers to Prepare a 2010 Urban Water Management Plan*

(DWR Guidebook) issued March 2011. The three overall steps to determine the 2020 water use target are as follows:

- Step 1 – Calculate the baseline per capita water use, using the required methodologies.

- Step 2 – Calculate the per capita reduction using at least one of the four methodologies (including the minimum reduction target – which is a provision included to ensure all agencies achieve a minimum level of water savings).

- Step 3 – Select the target reduction methodology and set interim (2015) and compliance (2020) water use targets. The chosen methodology is the responsibility of the water supplier and may be changed in 2015.

The Act now stipulates that the state shall review the progress made towards reaching the statewide water savings targets as reported in the 2015 UWMP updates. Currently, no single urban water supplier is required to conserve more than 20 percent, however, there are provisions in the law that could require additional conservation after 2015 if it is found that the program is not on track to reach 20 percent statewide water savings by 2020.

3.2.1 Baseline Per Capita Water Use

The first step in the process of determining the water use target is calculation of the baseline per capita water use (baseline gpcd). In order to calculate the baseline gpcd, service area population within the Orcutt System was estimated and compared to actual water use records. The following three baseline gpcd calculations identified in SBX7-7 were evaluated for the Orcutt System:

1. Baseline Method 1 – Average water use over a continuous 10-year period ending no earlier than December 31, 2004 and no later than December 31, 2010.

2. Baseline Method 2 – For retailers with at least 10 percent of 2008 demand served by recycled water (either retail-or wholesale-provided), this calculation may be extended to include an additional 5 years ending no earlier than December 31, 2004 and no later than December 31, 2010.

3. Baseline Method 3 – Estimate of average gross water use reported in gpcd and calculated over a continuous 5-year period ending no earlier than December 31, 2007 and no later than December 31, 2010.

The Baseline Methods 1 and 3 were evaluated using supply data for the years ending December 31, 1999 through December 31, 2010. The base water use was calculated for each year commencing with 1999 as this was the first year with production data records available. The Orcutt system does not currently receive recycled water; therefore Baseline Method 2 is not applicable. Table 3-2 below presents the base period ranges, total water deliveries and the volume of recycled water delivered in 2008; these data are used to determine the number of years that can be included in the base period range. Also shown are the actual start and end years for the selected base period range.

Table 3-2: Base Period Ranges			
Base	**Parameter**	**Value**	**Units**
10-year base period	2008 total water deliveries	8,738	Ac-ft
	2008 total volume of delivered recycled water	0	Ac-ft
	2008 recycled water as a percent of total deliveries	0	Percent
	Number of years in base period	10	Years
	Year beginning base period range	1999	
	Year ending base period range	2008	
5-year base period	Number of years in base period	5	Years
	Year beginning base period range	2004	
	Year ending base period range	2008	

Note:
Table format based on DWR Guidebook Table 13.

The average annual daily per capita water use in gpcd from 1999 through 2010 is provided in Table 3-3. The gallons per day calculation includes potable water entering the distribution system.

Table 3-3: 1999-2010 Base Daily Use Calculation			
Calendar Year	**Distribution System Population**	**Gallons / Day**	**Daily per Capita Water Use, gpcd**
1999	27,614	7,750,399	281
2000	27,654	7,902,261	286
2001	27,681	7,552,076	273
2002	27,681	7,910,409	286
2003	27,681	7,597,922	275
2004	27,641	7,843,167	284
2005	28,033	7,439,118	265
2006	28,374	7,346,151	259
2007	28,420	8,154,993	287
2008	28,479	7,800,794	274
2009	28,670	7,301,835	255
2010	28,761	6,515,889	227

Note:
Table format based on DWR Guidebook Tables 14 and 15.

The 10-year averages available for GSWC to select are presented in Table 3-4; and the 5-year rolling averages are shown in Table 3-5. The 1999-2008 10-year and 2004-2008 5-year average base daily gpcd usages of 277 and 274 gpcd, respectively, were selected.

Table 3-4: 10-Year Average Base Daily Per Capita Water Use

10-Year Period	Average Base Daily Per Capita Water Use (gpcd)
1999-2008	277
2000-2009	274
2001-2010	268

Table 3-5: 5-Year Average Base Daily Per Capita Water Use

5-Year Period	Average Base Daily Per Capita Water Use (gpcd)
2003-2007	274
2004-2008	274
2005-2009	268
2006-2010	260

3.2.2 Urban Water Use Targets

Retail suppliers must identify their urban water use targets by utilizing one of four compliance methods identified in SBX7-7. The four urban water use target development methods are as follows:

- Compliance Method 1 – 80 percent of baseline gpcd water use.
- Compliance Method 2 – The sum of the following performance standards: indoor residential use (provisional standard set at 55 gpcd); plus landscape use, including dedicated and residential meters or connections equivalent to the State Model Landscape Ordinance (70 percent of reference ETo; plus 10 percent reduction in baseline commercial, industrial, and institutional (CII) water use by 2020.
- Compliance Method 3 – 95 percent of the applicable state hydrologic region target as identified in the 2020 Conservation Plan (DWR, 2010).
- Compliance Method 4 – A provisional method identified and developed by DWR through a public process released February 16, 2011, which aims to achieve a cumulative statewide 20 percent reduction. This method assumes water savings will be obtained through metering of unmetered water connections and achieving water conservation measures in three water use categories: (1) indoor residential, (2) landscape, water loss and other water uses and (3) CII.

GSWC elected to evaluate Compliance Methods 1 and 3 for selecting urban water use targets for the 2010 plan. The following section provides an explanation of the target calculations and a summary of the interim and compliance water use targets.

Compliance Method 1 Calculation Summary

The Compliance Method 1 2020 water use target was calculated by multiplying the base daily gpcd by 80 percent. A 20 percent reduction in baseline use would require reduction of 22 gpcd by 2020 as shown in Table 3-6. The 2015 interim target would be 100 gpcd and with a 20202 water use target of 89 gpcd.

Table 3-6: 2020 Water Use Target Method 1 Calculation Summary

Description	Baseline	2015 Interim Target	2020 Compliance Target
Per Capita Water Use (gpcd)	277	249	221
Percent Reduction	N/A	10%	20%

Compliance Method 3 Calculation Summary

The Compliance Method 3 2020 water use target was calculated by multiplying the respective hydrologic region target by 95 percent. The Orcutt System is located in the Central Coast Region (Region 3), which has a hydrologic region target of 123 gpcd and a baseline water use of 154 gpcd. Ninety-five (95) percent of the Region 3 hydrologic region target results in a 2020 compliance target of 117 gpcd. Table 3-7 presents the results of the Method 3 calculation.

Table 3-7: 2020 Water Use Target Method 3 Calculation Summary

Description	Baseline	2015 Interim Target	2020 Compliance Target
Per Capita Water Use (gpcd)	277	197	117
Percent Reduction	N/A	29%	58%

Minimum Compliance Reduction Target

Systems with a 5-year baseline per capita water use of greater than 100 gpcd must calculate a minimum water use reduction, which the 2020 water use target cannot exceed. The minimum water use reduction compliance target is 95 percent of the 5-year rolling average base daily per capita water use (ending no earlier than December 31, 2007, and no later than December 31, 2010). By this method, the minimum 2020 water use compliance target for the Orcutt System is 260 gpcd, as presented in Table 3-8 below.

Table 3-8: Minimum 2020 Reduction			
Description	**5-Yr Average**	**2015 Interim Target**	**2020 Compliance Target**
Minimum Allowable 2020 Target (gpcd)	274	267	260

3.2.3 Interim and Compliance Water Use Targets

The interim and compliance water use targets are provided per Section 10608.20(e) of the Act. Since both the Method 1 and 3 compliance targets are less than the minimum reduction; compliance Method 1 was selected by GSWC for the Orcutt System. As a result, Table 3-9 shows the 2020 SBX7-7 compliance target for the Orcutt System is 221 gpcd and the 2015 interim water use target is 249 gpcd. The implementation plan for achieving these targets is described in Section 4.8, Recycled Water and Chapter 7, Demand Management Measures.

Table 3-9: SBX7-7 Water Use Reduction Targets (gpcd)		
Baseline	**2015 Interim Target**	**2020 Compliance Target**
277	249	221

3.3 Projected Water Use

Growth projections for the number of service connections and volume of water use were calculated for the year 2015 through 2035 in 5-year increments. Future water demands were estimated using two different methods, a population-based approach and a historical-trend approach, in order to present a projection range reflecting the inherent uncertainty in growth trends. Additionally, demand projections are provided showing a scenario where the Orcutt System fully meets water use target reductions by 2020 for comparison to current per capita water use trends. Detailed descriptions of how the population-based and historical-trend projections were calculated are provided below.

The range established between these two approaches is intended as supplemental information; all recommendations are based on the population-based projections, which are higher and provide a more conservative estimate of future water use. The historical-trend projections are provided as ancillary information only.

Figure 3-2 shows the historical and projected number of metered service connections for the Orcutt System from 1994 through 2035. Figure 3-3 shows the historical and projected water use for the Orcutt System from 1994 until 2035.

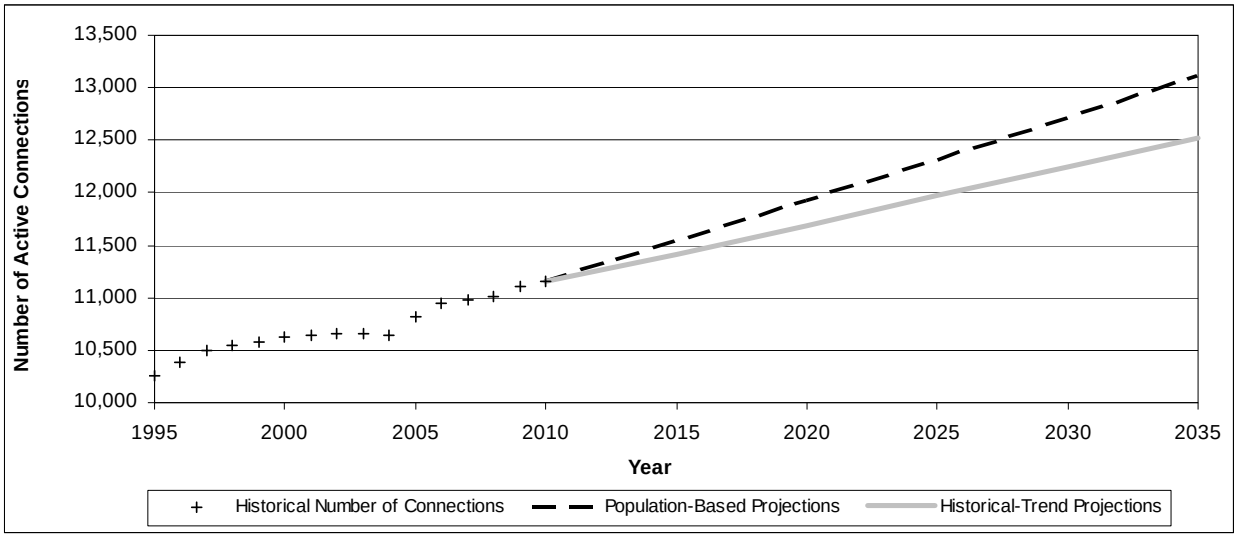

Figure 3-2: Historical and Projected Number of Metered Service Connections

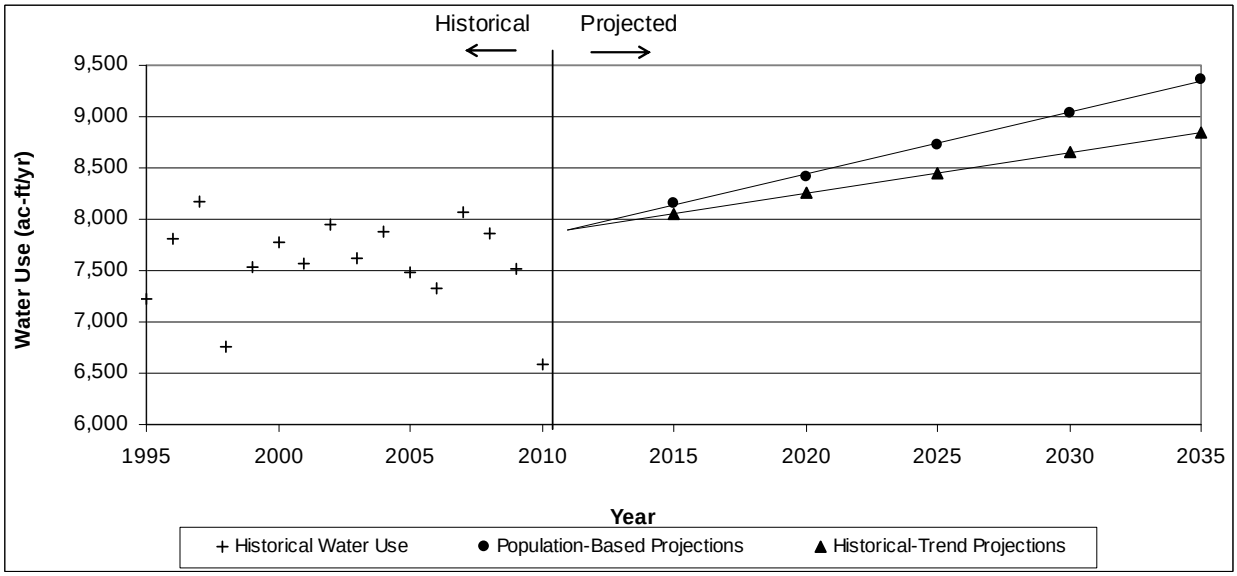

Figure 3-3: Historical Water Use and Future Water Use Projections

Historical water use records from 2000 through 2010 were analyzed to generate estimates of future water demands. Water use factors were then developed for the projection of future water use. A water use factor was calculated for each category in order to quantify the average water used per metered connection. For a given customer type, the unit water use factor is calculated as the total water sales for the category divided by the number of active service connections for that category. The unit water use factors for each customer type were averaged over the data range from 2000 through 2010 in order to obtain a representative water use factor that can be

used for water demand projections by customer type. Table 3-10 presents the water use factors calculated for each customer category.

Table 3-10: Water Use Factors for the Orcutt System

	Account Category							
	Single-Family	Multi-Family	Commercial	Industrial	Institutional/ Government	Landscape	Agriculture	Other[2]
Water Use Factor[1]	0.60	1.92	1.32	1.39	5.75	4.21	0.23	0.70

Notes:

1. Based on customer water use data for calendar years 2000-2010.
2. Other accounts for any service connections not included in any other category, including idle or inactive connections.

The population-based water use projections are based on the population and housing growth rates described in Chapter 2. SBCAG household projections were used to determine the growth in single-family and multi-family service connections for the years 2015, 2020, 2025, 2030, and 2035. For example, the percent growth rate in households from the year 2010 to year 2015 was multiplied by the number of residential service connections in 2010 to obtain a projection of the number of connections in the year 2015. Similarly, employment growth projections presented in Chapter 2 were used to determine the growth for commercial, industrial, institutional/government, landscape, and agriculture service connections. The population-based projected water use was then calculated by multiplying the number of projected active service connections for each customer category by the corresponding customer average water use factor calculated above.

The historical-trend water use projections are based on a linear projection of the historical number of metered service connections. The average growth rate established by this historical trend was applied to the number of connections in each customer category to project the future number of service connections. The historical-trend projected water use was then calculated by multiplying the number of projected active service connections for each customer category with the corresponding customer average water use factor calculated above.

Figure 3-4 shows the population based water use projections by customer type. The population-based projections of the number of service connections, and the resulting water demand, are provided in Table 3-11.

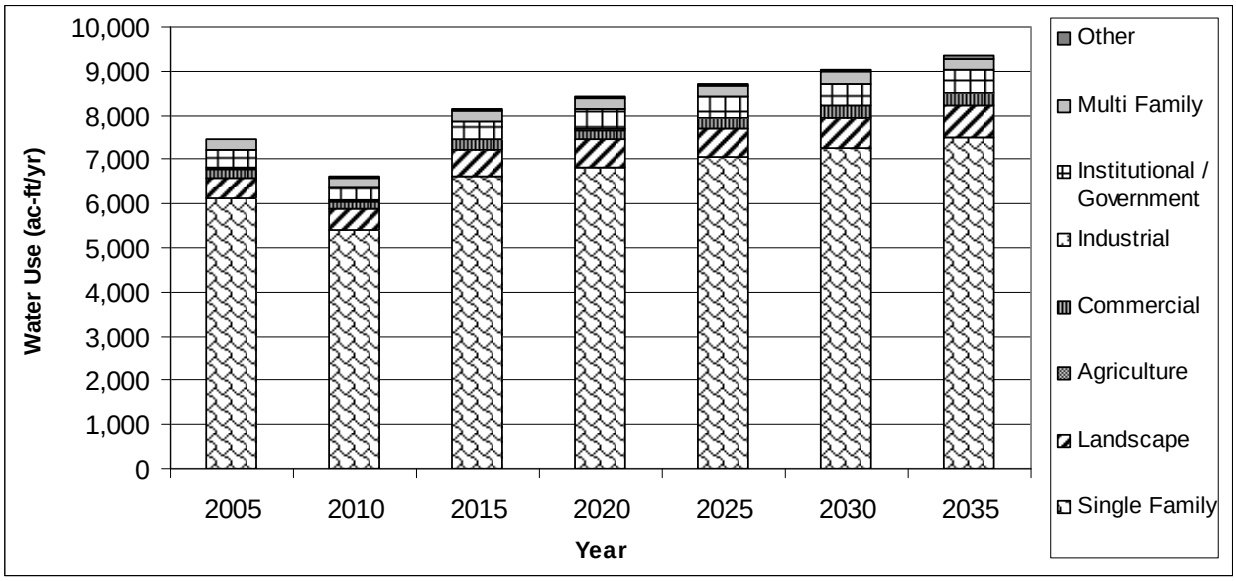

Figure 3-4: Projected Water Use by Customer Type

Table 3-11: Projections of the Number of Metered Service Connections and Water Use for the Orcutt System

Year	Projection Type	Accounts by Type								
		Single-Family	Multi-Family	Commercial	Industrial	Institutional/ Government	Landscape	Agriculture	Other[3]	Total
2005[2]	*No. of Accounts*	10,315	118	157	15	67	107	2	35	10,816
	Water Use (ac-ft)	6,132	246	211	16	405	442	0	26	7,478
2010	*No. of Accounts*	10,587	117	166	11	70	137	1	71	11,160
	Water Use (ac-ft)	5,415	208	140	29	284	486	0	32	6,594
2015	*No. of Accounts*	10,949	121	173	12	73	143	2	74	11,547
	Water Use (ac-ft)	6,612	232	228	17	420	602	0	52	8,163
2020	*No. of Accounts*	11,311	125	177	12	75	146	2	76	11,924
	Water Use (ac-ft)	6,832	240	233	17	431	614	0	53	8,420
2025	*No. of Accounts*	11,673	129	187	13	79	154	2	80	12,317
	Water Use (ac-ft)	7,052	247	246	18	454	648	0	56	8,721
2030	*No. of Accounts*	12,035	133	198	14	84	164	2	85	12,715
	Water Use (ac-ft)	7,269	255	261	19	483	690	0	60	9,037
2035	*No. of Accounts*	12,397	137	211	14	89	174	2	90	13,114
	Water Use (ac-ft)	7,488	263	278	19	512	732	0	63	9,355

Notes:
1. This table is based on the DWR Guidebook Tables 3 through 7.
2. Based on calendar year.
3. Other accounts for any service connections not included in any other category, including idle or inactive connections.
4. All connections are metered.

3.4 Sales to Other Agencies

There are no anticipated sales to other agencies for the Orcutt System; therefore, Table 3-12 has intentionally been left blank.

Table 3-12: Sales to Other Agencies in ac-ft/yr

Water Distributed	2005[2]	2010	2015	2020	2025	2030	2035
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:
1. This table is based on the DWR Guidebook Table 9.
2. Based on calendar year.

3.5 Other Water Uses and System Losses

In order to estimate total water demand, other water uses, as well as any water lost during conveyance, must be added to the customer demand. California regulation requires water suppliers to quantify any additional water uses not included as a part of water use by customer type. There are no other water uses in addition to those already reported in the Orcutt System.

System losses must be incorporated when projecting total water demand. System losses (also known as non-revenue water) are defined as the difference between annual water production and annual sales. Included are system losses due to leaks, reservoir overflows, or inaccurate meters, and other water used in operations such as system flushing and filter backwashing. GSWC does not tabulate system losses separately from other water uses; such as operations. In the Orcutt System, from 1994 through 2010, system water losses have averaged 10.4 percent of the total production; therefore, this rate was incorporated into water demand projections. Table 3-13 provides a summary of projected system losses in the Orcutt System.

Table 3-13: Additional Water Uses and Losses in ac-ft/yr

Water-Use Type	2005[2]	2010	2015	2020	2025	2030	2035
Other Water Uses	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unaccounted-for System Losses[3]	855	705	850	876	908	941	974
Total	855	705	850	876	908	941	974

Notes:
1. This table is based on the DWR Guidebook Table 10.
2. Based on calendar year.
3. Includes system losses due to leaks, reservoir overflows, and inaccurate meters, as well as water used in operations.

3.6 Total Water Demand

As described above, other water uses, as well as any water lost during conveyance, must be added to the customer demand in order to project total water demand for the Orcutt System. Although there are no other water uses contributing to the total water demand in the Orcutt System, other water uses and system water losses must be incorporated into the total water demand. Table 3-14 summarizes the projections of water sales, other water usage and system losses, and total water demand through the year 2035.

The projected water sales and system losses were added to estimate the total baseline water demand shown in Table 3-14. The baseline demand projections below do not include water use reductions due to additional implementation of future DMMs or other conservation activities. Baseline demands are used for supply reliability evaluation purposes throughout this UWMP for estimates of water supplies that may be required to meet system demands for the next 25 years. Figure 3-5 shows the projected total water demand through 2035.

Projected water demands assuming full compliance with the SBX7-7 interim and 2020 water use reduction targets are also provided in the Table 3-14 and Figure 3-5 for reference purposes. SBX7-7 compliance water demands were calculated by multiplying the projected population by the applicable water use target. Future water use that is exempt from SBX7-7, such as industrial process water or direct reuse recycled water is not included in this projection.

Table 3-14: Projected Total Water Demand and SBX7-7 Compliance Projections in ac-ft/yr

Year[2]	Projected Water Sales	Other Water Uses and System Losses	Total Water Demand	SBX7-7 Compliance Projections	
				Water Savings	Total Water Demand with Savings
2005	7,478	855	8,333	0	N/A
2010	6,594	705	7,299	0	N/A
2015	8,163	850	9,013	718	8,295
2020	8,420	876	9,297	1,662	7,634
2025	8,721	908	9,628	1,750	7,879
2030	9,037	941	9,978	1,855	8,123
2035	9,355	974	10,328	1,962	8,367

Notes:

1. This table is based on the DWR Guidebook Table 11.
2. Based on calendar year.

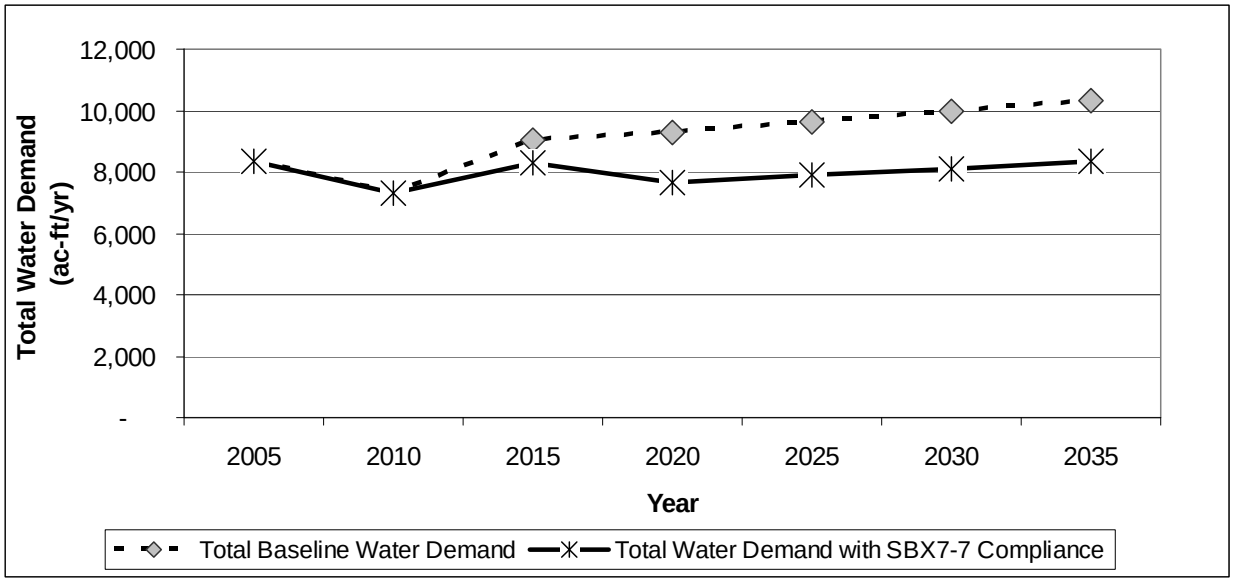

Figure 3-5: Total Water Demand

3.7 Data Provided to Wholesale Agency

GSWC provided the following projected water use data in late 2010 to the Central Coast Water Authority and the City of Santa Maria, the wholesale water suppliers for the Orcutt System, as summarized in Table 3-15. Since the preliminary projections were submitted in 2010, GSWC has been refined projections by integrating actual 2010 water usage and supply data. As a result, the projections shown in Table 3-15 below do not agree with the demands presented in other chapters of this UWMP. As required per Section 10631(k), the supporting documentation providing the water use projections to the wholesale agency is included in Appendix I.

Table 3-15: Summary of Orcutt System Data Provided to CCWA in ac-ft/yr

Wholesaler	Contracted Volume	2010	2015	2020	2025	2030	2035
CCWA	N/A	9,103	9,419	9,718	10,061	10,425	10,796

Note:
This table is based on the DWR Guidebook Table 12.

3.8 Disadvantaged Community Water Use Projections

Section 10631.1 (a). Include projected water use for single-family and multi-family residential housing needed for lower income households, as identified in the housing element of any city, county, or city and county in the service area of the supplier.

Senate Bill 1087 requires that water use projections of a UWMP include the projected water use for single-family and multi-family residential housing for lower income households as identified in the housing element of any city, county, or city and county in the service area of the supplier.

Housing elements rely on the Regional Housing Needs Allocation (RHNA) generated by the State Department of Housing and Community Development (HCD) to allocate the regional need for housing to the regional Council of Governments (COG) (or a HCD for cities and counties not covered by a COG) for incorporation into housing element updates. Before the housing element is due, the HCD determines the total regional housing need for the next planning period for each region in the state and allocates that need. The COGs then allocate to each local jurisdiction its "fair share" of the RHNA, broken down by income categories; very low, low, moderate, and above moderate, over the housing element's planning period.

Santa Barbara County last updated its housing element in 2009. A low-income house is defined as 80 percent of median income, adjusted for family size. The County's housing element identifies the target number of low-income households in the county from 2006 to 2013 as 15.0 percent and the number of very low-income households as 19.0 percent. However, it is unknown what percentage of the low-income and very low-income households are within GSWC's Orcutt service area. For this reason, it is not possible to project water use for lower income households separate from overall residential demand. However, to remain consistent with the intent of the SB-1087 legislation and also to comply with the Act, an effort has been made to identify those water use projections for future single and multi-family households based on the aggregate percentage of both the low-income and very low-income categories. 34 percent was used to estimate the lower income demand projections as shown in Table 3-16 below.

Table 3-16: Low-Income Projected Water Demands in ac-ft/yr

	2015	2020	2025	2030	2035
Single-Family Residence	408	482	557	631	705
Multi-Family Residence	8	11	13	16	18
Total	416	493	570	647	724

Note:
This table is based on the DWR Guidebook Table 8.

GSWC will not deny or conditionally approve water services, or reduce the amount of services applied for by a proposed development that includes housing units affordable to lower income households unless one of the following occurs:

- GSWC specifically finds that it does not have sufficient water supply.
- GSWC is subject to a compliance order issued by the State Department of Public Health that prohibits new water connections.
- The applicant has failed to agree to reasonable terms and conditions relating to the provision of services.

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Chapter 4: Water Supply

A detailed evaluation of water supply is required by the Act. Sections 10631 (b) through (d) and (h) of the Act state the following:

Section 10631.

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a). If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

(1) A copy of any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management.

(2) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For those basins for which a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to eliminate the long-term overdraft condition.

(3) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(4) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(c) (1) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for each of the following:

(A) An average water year.

(B) A single dry water year.

(C) Multiple dry water years.

(2) For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to supplement or replace that source with alternative sources or water demand management measures, to the extent practicable.

(d) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

(h) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs, other than the demand management programs identified pursuant to paragraph (1) of subdivision (f), that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in average, single dry, and multiple dry water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.

This chapter addresses the water supply sources of the Orcutt System. The following chapter provides details in response to those requirements of this portion of the Act.

4.1 Water Sources

For the Orcutt System, GSWC currently has the following available water supply sources:

- Imported water from Central Coast Water Authority (CCWA) via the State Water Project (SWP),
- Imported or assigned rights to water (SWP water) from the City of Santa Maria (Santa Maria) via CCWA, and
- Local groundwater, and associated return flows that may be recaptured from the Santa Maria Valley Groundwater Basin (Basin) based on 45 percent of the average SWP water used the previous five years.

The Orcutt System has 16 groundwater wells with a total capacity of approximately 20,000 ac-ft/yr and four reservoirs with a combined capacity of 2.0 million gallons.

The Basin was adjudicated through a stipulation resulting from resolution of the basin adjudication resulting from, *Santa Maria Valley Water Conservation District vs. City of Santa Maria, et al.(2008),* and data provided by CCWA and Santa Maria. This UWMP reflects the adjudication and the supplies assigned to GSWC through the judgment. The results of the adjudication include assigned SWP flows to GSWC, additional groundwater based on the amount of SWP water used (return flows), and the Twitchell Augmented Yield/Commingled Groundwater project which will help ensure GSWC has the ability to pump approximately 10,000 ac-ft/yr of groundwater.

Table 4-1, below, summarizes the current and planned water supplies available to GSWC for the Orcutt System that will meet their projected water demands in normal water years.

Table 4-1: Current and Planned Water Supplies for the Orcutt System in ac-ft/yr

Source	2010[3]	2015	2020	2025	2030	2035
Purchased water from CCWA (SWP)[1]	0	209	209	209	209	209
Groundwater, Return Flows (45% of CCWA SWP)	0	94	94	94	94	94
Purchased / Assigned water from Santa Maria (SWP Water via CCWA)	92	473	600	800	900	900
Groundwater, Santa Maria Groundwater Basin[2]	7,207	10,000	10,000	10,000	10,000	10,000
Recycled water	0	0	0	0	0	0
Total	7,299	10,776	10,903	11,103	11,203	11,203

Notes:

1. 209 ac-ft/yr based on Orcutt portion of GSWC's Table A amount of SWP water (2010 CCWA UWMP).
2. Based on projected use in the Santa Maria Groundwater Basin and Twitchell Augmented Yield/Commingled Groundwater Project.
3. 2010 water supplies are based on actual production records.
4. Table format based on DWR Guidebook Table 16.

GSWC's water supply portfolio for this system is expected to reliably meet the projected demands through 2035. There is no direct recycled water supply planned for this system,

although other water suppliers within the region do use, and plan to increase their use of recycled water in lieu of local groundwater which, in effect, improves the overall reliability of GSWC's groundwater supplies.

GSWC's water supply is projected to stay constant (with the exception of SWP water from Santa Maria) from 2010 to 2035 to meet the associated projected water demands. GSWC is expected to have a total available supply in excess of the projected demands through 2035. Water demand projections are documented in Chapter 3. Details of Orcutt water supplies are presented in the following section and a discussion of the reliability of all sources of water supply is presented in Chapter 6.

4.1.1 Stipulation and Water Rights

In 1997, the Santa Maria Valley Water Conservation District filed a lawsuit to adjudicate water rights in the Basin -- (*Santa Maria Valley Water Conservation District vs. City of Santa Maria, et al.,* (Superior Court, County of Santa Clara, Case No. 770214). The court divided the trial of the case into phases and issued three Orders/Decisions: Phase 1 - An Order dated January 9, 2001 establishing the Outermost Boundaries of the Basin, Phase 2 - An Order dated December 21, 2001 establishing the area constituting the Basin for purposes of the adjudication, and Phase 3 - A Decision dated May 5, 2004 regarding the hydrologic conditions in the Basin. As part of its Phase 3 Decision, the court reserved jurisdiction over remaining water rights issues and management of the Basin. The final Stipulation and adjudication was completed in 2008.

Subsequent to the Phase 3 decision, a number of parties to the lawsuit negotiated a settlement Agreement (Stipulation) that set forth terms and conditions for a physical solution concerning the overall management of Basin water resources, including rights to use groundwater, SWP water and associated return flows, the developed groundwater yield resulting from the operation of Twitchell and Lopez reservoirs, use of Basin storage space, and the ongoing monitoring and management of these resources, consistent with common law water rights priorities.

The Stipulation subdivides the Basin into three Management Areas: the Northern Cities Management Area, Nipomo Mesa Management Area, and the Santa Maria Valley Management Area (see Appendix F for a map of the location of these management areas). The delineation of these areas was based on historical development and use of Basin water resources, as further delineated in the Stipulation and the court record. The Stipulation is provided in Appendix F.

As noted above, the Stipulation provides GSWC certain rights to water in the Basin. These rights include: a recognition of GSWC's highest historical use of groundwater from the Basin; the right to recapture a preset portion of the return flows from GSWC's use of SWP in the Basin; and a 10,000 ac-ft/yr share of the developed groundwater yield resulting from Twitchell Reservoir operations.

In addition, GSWC may access additional supplies through the transfer of rights to the commingled groundwater originating from the Twitchell Yield. Also, return flows from SWP water are assignable in whole or part. The return flows are currently set at 45 percent of the amount of SWP water GSWC uses from CCWA.

The Stipulation also establishes certain preset water shortage response measures in anticipation of reduced availability of groundwater. The measures were created to increase reliability of the groundwater and coordinate supply strategies between the different water users in the Basin.

4.2 Imported Water

GSWC has two sources of purchased water, which include CCWA and the City of Santa Maria both of which supply SWP water delivered through the Tanglewood System or the City of Santa Maria to the Orcutt System. SWP water originates within the Feather River watershed, is captured in Lake Oroville, and flows via the Sacramento-San Joaquin Delta, the California Aqueduct and the Coastal Branch Extension into CCWA's treatment and conveyance facilities.

GSWC, Santa Maria and the City of Guadalupe (Guadalupe) each have SWP contracts through CCWA for a combined total of 17,500 ac-ft/yr. Pursuant to the Stipulation, Santa Maria will import and use within the basin no less than 10,000 ac-ft/yr of SWP water, or the full amount of available SWP water if the amount available is less than 10,000 ac-ft in a given year. Both GSWC and Guadalupe will import and use within the Basin all their available SWP water.

GSWC currently uses SWP water from the City of Santa Maria, and is expected to purchase a total of 415 ac-ft/yr. Secondly GSWC has a Table A allotment of 550 ac-ft/yr (at 100 percent of their allotment) of SWP water via CCWA that is distributed to several GSWC systems. The SWP Table A amount is used as the basis for apportioning available supply to each Contractor and is a factor in calculating each Contractor's share of the project's costs. GSWC has received on average 344 ac-ft/yr of their Table A amount, and projections for CCWA SWP water are expected to be between 344 ac-ft/yr in 2015 to 330 ac-ft/yr in 2035 (based on historical average) to all of GSWC's systems. For the Orcutt system the amount of water projected to be received from CCWA is estimated to be 209 ac-ft/yr, which is a portion of the total SWP water delivered by CCWA to GSWC's Orcutt System.

In addition, through the Stipulation, GSWC will obtain rights (through assignment from new GSWC customers) to obtain additional imported water from Santa Maria, either through pumping return flows or obtaining additional SWP water through the Santa Maria – GSWC interconnection. This is currently being shown as the 473 to 900 ac-ft/yr of imported Santa Maria water shown in Table 4-1.

4.3 Groundwater

Groundwater for the Orcutt System is supplied by 16 wells in the Basin. The Santa Maria Groundwater Basin is bordered by the Nipomo Mesa and Sierra Madre Foothills to the north, the San Rafael Mountains to the east, the Solomon-Casmalia Hills to the south and the Pacific Ocean to the west. The Basin is situated in the northwest portion of Santa Barbara County and extends into the southwest portion of San Luis Obispo County.

The water-bearing units are alluvium, dune sands, and the Orcutt, Paso Robles, Pismo, and Careaga Formations. The alluvium consists of unconsolidated lenticular bodies of gravel, sand, silt, and clay. The dune sands consist of well-rounded, fine- to coarse-grained sand. The Orcutt Formation consists of sand interbedded with coarse gravel with minor amounts of silt and clay restricted to the upper parts of the water-bearing unit. The Paso Robles Formation consists of unconsolidated to poorly consolidated gravel, sand, silt and clay. The Careaga Formation consists of unconsolidated fine- to medium-grained marine sand with some silt, and unconsolidated to well consolidated coarse- to fine-grained sand, gravel, silty sand, silt, and clay. The Pismo Formation consists of coarse- to fine-grained sand interbedded with discontinuous layers of silt and clay. Groundwater is generally unconfined, except in the coastal portions were it is confined (DWR, 2004).

Sources of native (natural) water to the groundwater basin include the following: infiltration of precipitation, inflow from adjacent areas, return flows from applied water (irrigation) and, percolation of water from streams flowing across the Basin, especially the Arroyo Grande to the north, and Santa Maria and Sisquoc Rivers to the south.

Groundwater discharges from the Basin include: consumptive use of groundwater pumped by agricultural users, municipal and industrial users (e.g., cities and the oil industry for secondary recovery of oil), and groundwater discharge to the ocean. Some natural groundwater flow (discharge) to the ocean is required to prevent seawater intrusion into the Basin.

The total groundwater storage capacity of the Basin is approximately 4,000,000 ac-ft (DWR, 2004). The large volume of groundwater in storage within the basin provides a buffer to drought conditions.

In addition to the natural recharge of the Basins, two reservoirs also provide recharge to the Basin. These include the Lopez Reservoir on the Arroyo Grande located in the north portion of the Basin and the Twitchell Reservoir on the Cuyama River, a tributary to the Santa Maria River located in the south of the Basin.

Water from the Lopez Reservoir is used directly by the coastal communities of Arroyo Grande, Pismo Beach, Grover Beach, and Oceano Community Services District. Some return flow from local irrigation of these supplies also augments the groundwater recharge locally. Also, reservoir releases are made to provide for groundwater recharge through the bed of the Arroyo Grande into the groundwater basin underlying the Arroyo Grande area.

The Twitchell Reservoir is operated as a flood control and water conservation reservoir. Releases are controlled from Twitchell Reservoir to maximize recharge of the Basin through percolation along the Santa Maria River bed. The Stipulation sets the Twitchell yield at 32,000 ac-ft/yr. Since the Stipulation shares water between entities, GSWC's share of the yield is approximately one-third of the yield or 10,000 ac-ft/yr.

Under the Stipulation, Santa Maria, Guadalupe and GSWC are entitled to a fixed percentage of the annual amount of SWP water each uses within the Basin. The fixed percentage for GSWC is 45 percent, based on a rolling average of the prior 5 years of imported water use. These "return flows" augment the yield in the Basin through the recharge that occurs when these sources are used within the Basin. The maximum return flows based on the maximum amount of SWP water used is 94 ac-ft/yr based on a SWP water use of 209 ac-ft/yr for the Orcutt system. Return flow water supply could be as high as 250 ac-ft/yr for all of the GSWC systems in the region if the full Table A amount of 550 ac-ft/yr was used.

4.3.1 Existing and Projected Groundwater Use

Table 4-2 shows GSWC's wells and current well capacities for the Orcutt System. The Orcutt System has a total active normal year well capacity of 12,538 gallons per minute (gpm) (20,211 ac-ft/yr).

Table 4-2: Well Name and Capacity		
Well Name	**Current Well Capacity (gpm)[1]**	**Current Well Capacity (ac-ft/yr)**
Crescent No. 1	709	1,143
Evergreen No. 1	376	606
Evergreen No. 2	900	1,451
Kenneth No. 1	949	1,530
Mira Flores No. 1	647	1,043
Mira Flores No. 2	830	1,338
Mira Flores No. 3	427	688
Mira Flores No. 4	626	1,009
Mira Flores No. 5	895	1,443
Mira Flores No. 6	753	1,214
Mira Flores No. 7	1,170	1,886
Oak No. 1	1,110	1,789
Orcutt No. 1	589	949
Sunrise No. 1	750	1,209
Woodmere No. 1	872	1,406
Woodmere No. 2	935	1,507
Total Capacity	**12,538**	**20,211**

Note:

1. Estimated annual average current well production capacity is provided; actual and design instantaneous pumping capacity may be greater for each well.

Table 4-3 shows the pumping history of the Orcutt System for calendar years 2005 to 2010. The groundwater was pumped from 16 wells located in the Basin.

Table 4-3: Groundwater Pumping History by Orcutt System (2005 to 2010) in ac-ft							
Basin Name	**Metered or Unmetered**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Santa Maria	Metered	8,291	8,168	9,015	8,691	8,096	7,207
Percent of Total Water Supply		99%	99%	99%	99%	99%	99%

Notes:

1. Table format based on DWR Guidebook Table 18.
2. Years are reported in calendar years (January 1 – December 31).

Table 4-4 shows the projected groundwater pumping amounts for the Orcutt System. The water will be pumped from the 16 wells currently being used or from new or replacement wells as may be required in the future to meet existing and projected demands. The amount of groundwater projected to be pumped is assumed to be what water demand remains after the SWP allotment and imported water from Santa Maria are supplied to the Orcutt System. The groundwater pumping amounts presented in Table 4-4 include water sources described in the Stipulation. These sources consist of Twitchell Yield, native groundwater, and return flows from imported SWP water. The GSWC's projected total water demands are presented in Chapter 3.

Table 4-4: Projected Groundwater Pumping Amounts by Orcutt System to 2035 in ac/ft

Basin Name	2010	2015	2020	2025	2030	2035
Santa Maria Groundwater Basin	7,207	8,331	8,488	8,619	8,869	9,219
Percent of Total Water Supply	99%	77%	78%	78%	79%	82%

Notes:
1. Table format based on DWR Guidebook Table 19.
2. Years are reported in calendar years (January 1 – December 31).

4.4 Transfers and Exchanges

The Stipulation establishes a framework for both permanent and temporary transfers of water rights within the Basin. The Stipulation allows permanent or temporary transfer of the groundwater yield associated with the operation of the Twitchell Project. The Stipulation also allows temporary transfers of agricultural pumping rights (fallowing programs) during Severe Water Shortage Conditions. Finally, each new development within the Orcutt Community Plan will transfer (assign) to GSWC a source of supplemental water to offset the demand associated with the new project. As of 2006, 415 ac-ft/yr has been assigned to GSWC under this program. It is expected that these assignments will continue as new development takes place in the Orcutt system. Santa Maria is projecting up to 900 ac-ft/yr by 2035. The projected transfer amounts of water from Santa Maria have been included in Table 4-1. These assignments are summarized in Table 4-5.

Table 4-5: Transfer and Exchange Opportunities

Source Transfer Agency	Transfer or Exchange	Short Term	Proposed Quantities	Long-Term	Proposed Quantities
City of Santa Maria to GSWC	Transfer	N/A	N/A	Yes	415-900 ac-ft/yr

Note:
Table format based on DWR Guidebook Table 20.

4.5 Planned Water Supply Projects and Programs

There are no specifically identified water supply projects and programs in the Orcutt System at this time; therefore, Table 4-6 has been left blank. GSWC, as a part of its normal maintenance and operations, will construct new wells, pipelines, and treatment systems as needed as a part of its ongoing Capital Improvement Program to maintain its supply and meet distribution system requirements.

Table 4-6: Future Water Supply Projects in ac-ft

Project Name	Normal Year	Single-Dry Year	Multiple-Dry Years		
			Year 1	Year 2	Year 3
N/A	N/A	N/A	N/A	N/A	N/A

Note:
This table is based on the DWR Guidebook Table 26.

4.6 Wholesale Agency Supply Data

Table 4-7 provides CCWA's and City of Santa Maria's existing and planned water sources available to the Orcutt System under normal years. These supplies are expected to meet or exceed the projected imported water demands. City of Santa Maria's water supply sources include imported water.

Table 4-7: Existing and Planned Wholesale Water Sources in ac-ft/yr

Wholesaler Sources	Contracted Volume	2010	2015	2020	2025	2030	2035
CCWA		0	209	209	209	209	209
City of Santa Maria		92	473	600	800	900	900

Note:
This table is based on DWR Guidebook Table 17.

The reliability of wholesale water supply available to meet annual water demand under an average, single-dry, and multiple-dry year condition for the Orcutt System is provided in Table 4-8. The table includes a single-dry year and multiple-dry year supplies for 2035. It is expected that if available SWP supplies are limited in dry periods, GSWC will pump groundwater, in accordance with the Stipulation, to meet the demands. CCWA's 2010 UWMP projects that planned supplies for the Orcutt System will be 63 to 60 percent reliable through 2035 on average. The combined CCWA and Santa Maria single-dry year supplies are projected to be 11 percent reliable and the multiple-dry year supplies are projected to be 32 percent reliable (CCWA 2011).

Table 4-8: Reliability of Wholesale Supply for Year 2035 in ac-ft/yr					
			Multiple-Dry Water Years		
Wholesaler	Average / Normal Water Year Supply	Single-Dry	Year 1	Year 2	Year 3
CCWA-SWP Deliveries	209	23	67	67	67
City of Santa Maria-SWP Deliveries	900	99	288	288	288
Percent Normal	60%	11%	32%	32%	32%

Note:
Table format based on DWR Guidebook Table 31.

Table 4-9 lists factors affecting wholesale supply for the Orcutt System. The SWP supplies to the Orcutt System are expected to be much less than 100 percent reliable. Although no factors are expected to affect the overall reliability of supply, a detailed discussion of wholesale supply factors that were considered may be found in the respective CCWA and City of Santa Maria 2010 UWMPs.

Table 4-9: Factors Affecting Wholesale Supply				
Name of Supply	Legal	Environmental	Water Quality	Climatic
SWP via CCWA or Santa Maria	N/A	N/A	N/A	N/A

Note:
Table format based on DWR Guidebook Table 29.

4.7 Desalination

This section presents a discussion of opportunities to use desalinated water as a supplemental future water supply source for the Orcutt System. Section 10631(i) of the Act requires an evaluation of desalination opportunities within the Orcutt System. The Act states the following:

> *Section 10631*
> *(i) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.*

Per requirements of California Water Code Section 10631(i), this chapter presents opportunities to use desalinated water as a future water supply source for the Orcutt System. Since water is purchased from wholesaler Central Coast Water Authority (CCWA), desalination projects increasing the total available water supply for CCWA would, in-turn, improve the reliability of water supply for the Orcutt System. However, it is not possible at this point to quantify the amount of desalinated water that would be available for the GSWC's Orcutt System. The following discussion summarizes the brackish water and seawater desalination plans of CCWA.

Brackish or Groundwater Desalination. As mentioned in the CCWA's UWMP, neither CCWA's mission nor the route of its pipeline and facilities lend themselves to brackish or groundwater desalination projects. However CCWA and its project participants could team up with other SWP Contractors and provide financial assistance in construction of other regional groundwater desalination facilities in exchange for SWP supplies. The desalinated water would be supplied to users in communities near the desalination plant and a similar amount of SWP supplies would be exchanged and allocated to CCWA from the SWP Contractors. A list summarizing the groundwater desalination plans of other SWP Contractors is not available; however, CCWA would begin this planning effort should the need arise.

In addition, should an opportunity emerge with a local agency other than an SWP Contractor, an exchange of SWP deliveries would most likely involve a third party, such as Metropolitan Water District of Southern California (Metropolitan). Most local groundwater desalination facilities would be projects implemented by retailers of SWP Contractors, and if an exchange program were implemented, it would involve coordination and wheeling of water through the SWP Contractor's facilities to CCWA (CCWA, 2010).

Seawater Desalination. CCWA's mission is to import SWP water (CCWA, 2010). At this time, its Board of Directors does not consider desalination to be a cost effective method of increasing the reliability of imported water. Two CCWA project participants, however, have constructed desalination facilities. The City of Morro Bay intermittently operates an 830,000 gallons per day (gpd) desalination facility and the City of Santa Barbara maintains a decommissioned desalination facility for emergency use.

Similar to the brackish water and groundwater desalination opportunities described above, CCWA could provide financial assistance to its project participants or to other SWP Contractors in the use and/or construction of seawater desalination facilities in exchange for SWP supplies.

CCWA has been following the existing and proposed seawater desalination projects along California's Coast. The "Seawater Desalination and the California Coastal Act" provides a summary and status of the existing and proposed seawater desalination plants along the California's Coast. Currently, most of those existing and proposed seawater desalination facilities are/would be operated by agencies that are not SWP Contractors (see CCWA's 2010 UWMP for details).

There are no specific opportunities identified for using desalinated water as a source of water supply for the Orcutt System. Therefore, Table 4-10, has been left blank.

Table 4-10: Summary of Opportunities for Water Desalination

Source of Water	Yield (ac-ft/yr)	Start Date	Type of Use	Other
N/A	N/A	N/A	N/A	N/A

4.8 Recycled Water Plan

This section covers Section 10633 of the Act which details the requirements of the Recycled Water Plan that are included in the Act. The Act states the following:

Section 10633. The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. The preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies that operate within the supplier's service area and shall include all of the following:

(a) A description of the wastewater collection and treatment systems in the supplier's service area, including a quantification of the amount of wastewater collected and treated and the methods of wastewater disposal.

(b) A description of the recycled water currently being used in the supplier's service area, including, but not limited to, the type, place, and quantity of use.

(c) A description and quantification of the potential uses of recycled water, including, but not limited to, agricultural irrigation, landscape irrigation, wildlife habitat enhancement, wetlands, industrial reuse, groundwater recharge, and other appropriate uses, and a determination with regard to the technical and economic feasibility of serving those uses.

(d) The projected use of recycled water within the supplier's service area at the end of 5, 10, 15, and 20 years, and a description of the actual use of recycled water in comparison to uses previously projected pursuant to this subdivision.

(e) A description of actions, including financial incentives, which may be taken to encourage the use of recycled water, and the projected results of these actions in terms of acre feet of, recycled water used per year.

(f) A plan for optimizing the use of recycled water in the supplier's service area, including actions to facilitate the installation of dual distribution systems, to promote recirculating uses, to facilitate the increased use of treated wastewater that meets recycled water standards, and to overcome any obstacles to achieving that increased use.

4.8.1 Coordination

Table 4-11 summarizes the role of the agencies that participated in the development of recycled water plans that affect the Orcutt System for GSWC.

Table 4-11: Role of Participating Agencies in the Development of the Recycled Water Plan

Participating Agencies	Role in Plan Development
Water agencies	GSWC works closely with the Laguna County Sanitation District in planning a potential recycled water distribution system and identifying potential recycled water customers. The Laguna County Sanitation District, acting as the recycled water wholesaler, would lead the way in implementing the recycled water plan and distribution network.
Wastewater agencies	The Laguna County Sanitation District provides a reliable supply of recycled water that meets California recycled water quality standards set forth in Title 22 of the California Code of Regulations.
Groundwater agencies	Not applicable for this System.
Planning agencies	Santa Barbara County, in conjunction with the Laguna County Sanitation District, plays a key role in conducting data and customer assessments, as well as analyzing community and economic impacts.

4.8.2 Wastewater Quantity, Quality, and Current Uses

Wastewater within the Orcutt System is collected by a network of gravity sewers, lift stations, and force mains. Collected wastewater is then transported to the Laguna County Sanitation District's (LCSD) wastewater treatment plant (WWTP).

The WWTP provides tertiary treatment for an average dry weather flow (DWF) of 2.0 million gallons of wastewater per day (mgd). The WWTP has a design capacity of 3.7 mgd and treats all wastewater to meet recycled water standards. The WWTP has reused treated wastewater for agricultural uses since the plant was originally built in 1959. Reuse after upgrading to tertiary treatment processes began in June of 2005. Recycled water not used at the time of treatment is stored in ponds owned and operated by LCSD. Stored water is reused when demand for recycled water exceeds that available through daily treatment plant flows, generally during agricultural irrigation season from late spring through early fall. All reuse areas are located outside of the Orcutt System.

Because the WWTP treats wastewater for a larger population than exists in the Orcutt System, an estimated per capita wastewater generation factor was used to calculate the volume of wastewater generated by the customers in the Orcutt System. According to LCSD, the per capita wastewater generation for its service area is 80 gallons per day. This factor was used to estimate the existing and projected volumes of wastewater collected and treated in the Orcutt System (refer to Table 4-12). All of the effluent from the WWTP is treated to meet Title 22 recycled water standards.

Since all wastewater treated by the LCSD is reused, Table 4-13 is not applicable for and has intentionally been left blank. Table 4-14 was also left blank as there are no existing uses of recycled water by customers within the Orcutt System.

Table 4-12: Estimates of Existing and Projected Wastewater Collection and Treatment in ac-ft/yr for the Orcutt System

	2005[(2)]	2010[(2)]	2015	2020	2025	2030	2035
Projected population in service area	28,033	28,761	29,739	30,839	31,826	32,813	33,797
Wastewater collected and treated in service area	2,512 (2.24 mgd)	2,577 (2.30 mgd)	2,665 (2.38 mgd)	2,764 (2.47 mgd)	2,852 (2.55 mgd)	2,940 (2.63 mgd)	3,029 (2.70 mgd)
Quantity that meets recycled water standard	2,512 (2.24 mgd)	2,577 (2.30 mgd)	2,665 (2.38 mgd)	2,764 (2.47 mgd)	2,852 (2.55 mgd)	2,940 (2.63 mgd)	3,029 (2.70 mgd)

Notes:

1. This table is based on the DWR Guidebook Table 21.
2. Based on actual year.
3. Values of wastewater collected and treated are estimated. For a description of the methodology, refer to the text.

Table 4-13: Estimates of Existing and Projected Disposal of Non-Recycled Wastewater in ac-ft/yr for the Orcutt System								
Method of Disposal	**Treatment Level**	**2005[2]**	**2010[2]**	**2015**	**2020**	**2025**	**2030**	**2035**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:
1. This table is based on the DWR Guidebook Table 22.
2. Based on actual year.
3. Volumes of effluent discharged are estimated. For a description of the methodology, refer to the text.

Table 4-14: Existing Recycled Water Use in the Orcutt System		
Type of Use	**Treatment Level**	**2009 Use (ac-ft/yr)**
N/A	N/A	N/A

4.8.3 Potential and Projected Use

A Recycled Water Market Study was prepared for LCSD in 2000 describing potential recycled water uses in the vicinity of the reclamation plant. Due to the proximity of existing reuse sites to the reclamation plant and also because it is more economical to construct delivery infrastructure for use sites consuming larger amounts of water, there are currently no plans to transport recycled water to areas within the Orcutt System.

LCSD is currently negotiating with new potential users, including industry and landscape irrigation, as a result of upgrading to tertiary treatment; however, none of these potential recycled water customers are GSWC customers. LCSD does not have plans to extend the distribution of recycled water to the Orcutt System in the next 25 years.

Since no potential or projected future recycled water uses have been identified by LCSD within the Orcutt System, Table 4-15 and Table 4-16 have intentionally been left blank. In the UWMP for the Orcutt System (2005), projections of recycled water within the Orcutt System by the year 2010 were not included. Therefore, Table 4-17 is not applicable for this system and has been intentionally left blank.

Table 4-15: Potential Future Recycled Water Uses in ac-ft/yr								
Type of Use	**Treatment Level**	**Description**	**Feasibility**	**2010[2]**	**2015**	**2020**	**2025**	**2030**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			Total	N/A	N/A	N/A	N/A	N/A

Notes:
1. This table is based on the DWR Guidebook Table 23.
2. Based on actual year.

Table 4-16: Projected Future Recycled Water Use in Service Area in ac-ft/yr					
Type of Use	**2010**	**2015**	**2020**	**2025**	**2030**
N/A	N/A	N/A	N/A	N/A	N/A

Table 4-17: Comparison of Recycled Water Uses—Year 2000 Projections versus 2005 Actual		
Type of Use	**2005 Projection for 2010**	**2010 Actual Use**
N/A	N/A	N/A

Note:
This table is based on the DWR Guidebook Table 24.

4.8.4 Optimization and Incentives for Recycled Water Use

LCSD is responsible for determining the technical and economic feasibility of increasing supplies of recycled water to the area as the owner and operator of the local wastewater treatment plant. Extension of the recycled water lines within the Orcutt System is also the responsibility of LCSD.

Because LCSD has no plans in place to provide recycled water to the Orcutt System, there are no actions in place at this time by which GSWC is encouraging the use of recycled water in the system. Therefore, Table 4-18 is not applicable for this system and has been intentionally left blank. However, if and when LCSD decides to extend recycled water distribution to the Orcutt System, where possible, GSWC will encourage the use the recycled water by its customers.

Table 4-18: Methods to Encourage Recycled Water Use and the Resulting Projected Use in ac-ft/yr					
Actions	**2010**	**2015**	**2020**	**2025**	**2030**
N/A	N/A	N/A	N/A	N/A	N/A

Note:
This table is based on the DWR Guidebook Table 25.

Chapter 5: Water Quality

Section 10634 of the Act requires an analysis of water quality issues and their impact to supply reliability. The Act states as follows:

> *Section 10634. The plan shall include information, to the extent practicable, relating to the quality of existing sources of water available to the supplier over the same five-year increments as described in subdivision (a) of Section 10631 and the manner in which water quality affects water management strategies and supply reliability.*

5.1 GSWC Measures for Water Quality Regulation Compliance

To facilitate full compliance with water quality laws and regulations, GSWC maintains an Environmental Quality Department that has independent lines of reporting authority within the organization. The Environmental Quality Department is headed by a company officer specifically assigned to oversee and manage the company's environmental and water quality programs. The Vice President of Environmental Quality has a staff of three managers, including two Water Quality Managers. The Water Quality Managers, in turn, manage a staff of Water Quality Engineers and Technicians that are assigned to district offices. Each district office is assigned one Water Quality Engineer and at least one Water Quality Technician to provide direct support to the local drinking water systems within the district.

The District Water Quality Engineer is the main point of contact for the California Department of Public Health (CDPH) as well as other regulatory agencies. The Water Quality Engineer also is responsible for coordinating compliance measures through scheduling required sample collection, preparing water quality related plans, maintaining a water quality database, providing training to operations, maintaining a cross connection control program, and preparing and submitting monitoring reports, permit applications and other regulatory related correspondence.

As a whole, the Environmental Quality Department monitors and participates in the implementation of new water quality related laws and regulations. Through routine department meetings and training, the District Water Quality Engineers are kept up to date with changing water quality regulations and related technology. These efforts contribute towards maintaining a pool of trained water quality professionals that can be utilized throughout the company. This provides the company the ability to respond to a wide variety of water quality issues or emergencies.

5.2 Water Quality Issues

The drinking water quality of the Orcutt System must comply with the Safe Drinking Water Act (SDWA), which is composed of primary and secondary drinking water standards regulated by the U.S. Environmental Protection Agency (USEPA) and CDPH. Water Quality sampling is performed at each well and within the distribution system to ensure compliance with the regulatory standards.

5.2.1 Surface Water Quality

The Orcutt System currently purchases a small volume of treated surface water, less than 1 percent of total supply, from Santa Maria, which in turn, purchases water from the CCWA. The CCWA obtains its water supply from the coastal reach of the SWP California Aqueduct. The source water for the SWP originates in northern California's mountains, rivers and streams, and flows through the Sacramento-San Joaquin River Delta (Bay-Delta) before entering the SWP's 444-mile long California Aqueduct.

The main water quality concerns for the surface water purchased from CCWA are related to the water supply source. The water quality is generally excellent; however, it is affected by seawater intrusion and agricultural drainage from peat soil islands in the Bay-Delta area. The water quality parameters that are of particular importance include total organic carbon (TOC) and bromide. An increase in TOC and bromide concentrations may result in an increased production of disinfection byproducts.

Two actions that are implemented to protect Bay-Delta Fisheries have made controlling TOC and Bromide levels difficult. The SWP diversions for fishery protection are now scheduled for the fall season, instead of spring. The fall season is the time of year when TOC and Bromide levels are at their highest. In addition, selected Delta Cross Channel Gates are closed at certain times of the year to protect migrating fish. This degrades the overall quality of water that enters the SWP California Aqueduct because the closure of the Cross Channel Gates reduces the volume of higher quality water from the Sacramento River entering the SWP system.

Due to the low volume of purchased surface water accepted into the Orcutt System, the water quality issues discussed above are not anticipated to be problematic. Since the vast majority of the water supplied to the Orcutt System is groundwater, disinfection byproducts are expected to be very low. The large quantity of groundwater will serve to mitigate any potential disinfectant byproduct issues when surface water is introduced into the system.

5.2.2 Groundwater Quality

Table 5-1 summarizes water quality issues and recommendations for wells within the Orcutt System. The following discussion relates to contaminants with maximum contaminant levels (MCLs) that are either existing or have been proposed by the USEPA and/or CDPH.

Drinking water regulations pertaining to emerging contaminants of concern, such as chromium (VI) and nitrosamines, as well as potential revisions to existing regulations are closely monitored by GSWC's Environmental Quality Department. The appropriate sampling and action will be taken on any affected water supply sources as monitoring requirements, new or revised MCLs are promulgated by the USEPA or CDPH. It is anticipated that it will take approximately 2 to 5 years from official adoption of a new or revised MCL to implement wellhead treatment or alternative approach for a source, including all steps from procuring CPUC funding approval to planning, permitting, design, and construction. There is typically adequate time allotted from regulatory approval to promulgation of a new drinking water standard to address localized treatment requirements; therefore no direct impacts to water supply reliability from future water quality regulations are anticipated at this time.

Strategies for treating groundwater in the Orcutt System are designed to meet state and federal regulations. All equipment is regularly maintained by GSWC personnel, and any failures are immediately addressed, resulting in minimal disruption to water supply.

The primary source of water supply for the Orcutt System is groundwater. The system operates 16 active wells which extract groundwater from the Santa Maria Valley Groundwater Basin. Several management actions have recently contributed towards improving the water quality of the basin aquifer:

- Increased recharge from the Twitchell and Lopez Reservoirs
- Reduced demand for groundwater due to importation of SWP water

Although these active measures are in place to improve the overall quality of groundwater in the basin, the most northern wells of the Orcutt System have experienced significant increases in TDS, sulfate, chloride and nitrate in recent years.

Nitrate. The Evergreen Wells No. 1 and No. 2, Sunrise Well No. 1 and Mira Flores Well No. 1 have all exceeded the nitrate MCL of 45 mg/L. The increase in nitrate concentrations observed in these wells has also been accompanied by increases in total dissolved solids (TDS), sulfate and chloride. This has made nitrate treatment by ion exchange difficult due to the high selectivity of sulfate and associated chloride release from the treatment process. The lack of brine disposal facilities also contributes to increasing costs of nitrate treatment. As a result, the Evergreen and Sunrise Wells have been de-activated. The water from Mira Flores No. 1 is blended to manage nitrate concentrations.

The water supply wells in the southern part of the Santa Maria Valley have had low nitrate concentrations and no recent detections of iron or manganese. Consequently, the groundwater produced from these wells receives no special treatment other than wellhead chlorination prior to distribution within the Orcutt System.

TDS. The southern wells produce water with TDS concentrations ranging from 550 to 1100 mg/L, exceeding the “recommended” secondary MCL standard of 500 mg/L. The groundwater from these wells is also considered hard water as the hardness levels have ranged from 370 to 830 mg/L.

Table 5-1: Summary of Assessment					
Well	**Current Well Capacity (gpm)[1]**	**Status**	**Water Quality Issue/Concern**	**Existing Treatment**	**Recommendations**
Crescent No. 1	709	Active	TDS	Chlorination	
Kenneth No. 1	949	Active	TDS, sulfate	Chlorination	
Mira Flores No. 1	647	Active	Elevated nitrate, TDS, sulfate	Chlorination, blending for nitrate control	
Mira Flores No. 2	830	Active	TDS, sulfate	Chlorination	
Mira Flores No. 3	427	Inactive	TDS	Chlorination	
Mira Flores No. 4	626	Active	TDS	Chlorination	
Mira Flores No. 5	895	Active	TDS	Chlorination	
Mira Flores No. 6	753	Active	TDS	Chlorination	
Mira Flores No. 7	1,170	Active	TDS	Chlorination	
Oak Well No. 1	1,110	Active	TDS, sulfate	Chlorination	
Orcutt No. 1	589	Active	TDS	Chlorination	
Woodmere No. 1	872	Active	TDS, sulfate	Chlorination	
Woodmere No. 2	935	Active	TDS, sulfate	Chlorination	
Evergreen No. 1	376	Inactive	High nitrate, TDS, sulfate	None, physically isolated from system.	Consider replacement due to impact of rising sulfate levels in well on ion exchange treatment
Evergreen No. 2	900	Inactive	High nitrate, TDS, sulfate	None, physically isolated from system.	Evaluate cost effectiveness of adding wellhead treatment
Sunrise No. 1	750	Inactive	High nitrate, TDS, sulfate	None, physically isolated from system.	Option of blending with purchased water from CCWA

Note:

1. Estimated annual average current well production capacity is provided; actual and design instantaneous pumping capacity may be greater for each well.

5.2.3 Distribution System Water Quality

Distribution system water quality monitoring is performed for several water quality parameters in the Orcutt System, including general physical parameters, presence of coliform bacteria, disinfectant and disinfection by-product levels. Corrosivity of the water is monitored by measuring lead and copper levels at customer water taps. The Orcutt System utilizes an approved Sample Siting Plan for the collection, recording, and reporting of all bacteriological analyses. All monitoring parameters and levels currently meet drinking water standards. The ability to continue to meet these standards is not expected to change in the foreseeable future.

In addition to the monitoring programs, GSWC has implemented a number of operational programs that are designed to maintain water quality within acceptable criteria. GSWC actively flushes its Orcutt distribution system on a routine basis as a means to remove built up sediment within the mains as well as to ensure proper maintenance of disinfectant residuals. The system also has an active backflow and cross connection prevention program in place to reduce the risk of backflow conditions from a service connection into the distribution system. Also, security measures are in place to protect the distribution system from being tampered with by unauthorized personnel. All of these programs are designed to assist with maintaining the water quality within the distribution system and provide some of the tools needed to respond to a water quality emergency.

5.3 Projected Impacts of Water Quality

As discussed previously, the northern groundwater wells have been impacted by increasing nitrate, TDS, and sulfate concentrations. The Sunrise Well No. 1 and Evergreen Wells No. 1 and No. 2 were first impacted in the mid-1990's, followed by Mira Flores Well No. 1 in 2001. If this trend continues, there is the potential for impact to the wells in the southern part of the Santa Maria Valley. Following the north-south trend, Woodmere Wells No. 1 and No. 2 may be the next impacted wells.

Table 5-2 summarizes the projected impact on water supply due to water quality issues within wells in the Orcutt System.

Table 5-2: Summary of Projected Water Supply Changes Due to Water Quality Issues in ac-ft/yr

Water Source	2010	2015	2020	2025	2030	2035
Crescent Well No. 1	0	0	0	0	0	0
Kenneth Well No. 1	0	0	0	0	0	0
Mira Flores No. 1	0	0	0	0	0	0
Mira Flores No. 2	0	0	0	0	0	0
Mira Flores No. 3	0	0	0	0	0	0
Mira Flores No. 4	0	0	0	0	0	0
Mira Flores No. 5	0	0	0	0	0	0
Mira Flores No. 6	0	0	0	0	0	0
Mira Flores No. 7	0	0	0	0	0	0
Oak Well No. 1	0	0	0	0	0	0
Orcutt Well No. 1	0	0	0	0	0	0
Woodmere Well No. 1	0	0	0	0	0	0
Woodmere Well No. 2	0	0	0	0	0	0
Evergreen Well No. 1	0	(607)	0	0	0	0
Evergreen Well No. 2	0	0	0	0	0	0
Sunrise Well No. 1	0	0	0	0	0	0

Note:
Table format based on DWR Guidebook Table 30.

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Chapter 6: Water Supply Reliability

Sections 10631 and 10635 of the Act require that an assessment of water supply reliability for various climatic conditions be undertaken. The Act states:

Section 10631.

(c) (1) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for each of the following:

(A) An average water year.

(B) A single dry water year.

(C) Multiple dry water years.

(2) For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to supplement or replace that source with alternative sources or water demand management measures, to the extent practicable.

Section 10635.

(a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and multiple dry water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

6.1 Reliability of Supply

Currently, the Orcutt System has the available water as discussed in Chapter 4 to meet the projected demands. Groundwater (including the commingled supply from Twitchell Yield) is pumped from the Basin and the imported supplies from the SWP are obtained via CCWA and the City of Santa Maria. In addition, GSWC can pump a percentage of the imported water supply as return flows. These return flows are pumped from GSWC's wells and are in addition to their groundwater supplies. Because GSWC's supplies are derived both from local water conservation projects and the SWP, the conditions in local and distant areas can impact the reliability of supplies. The following discussion summarizes the reliability of GSWC's water supply sources. In general, GSWC's supply is expected to meet demand through 2035 during normal conditions. The reliability is a result of the following:

- The projected reliability of imported water and associated return flows, and
- The reliable groundwater in the Basin.

6.1.1 CCWA's Water Supply Reliability

As mentioned earlier, CCWA's sole water supply is imported water from the SWP. The amount of SWP water available to be delivered varies from year to year based on a combination of hydrologic conditions, water available in SWP storage reservoirs, and environmental regulations in the Bay Delta. SWP water deliveries are subject to reduction when dry conditions occur in northern California.

CCWA is a SWP Contractor (through Santa Barbara County Flood Control and Water Conservation District) with an annual contractual amount of 45,486 ac-ft. Each contractor annually submits by October 1st of each year a request to DWR for water delivery in the following calendar year, in any amount up to the contractor's full amount. Per CCWA's 2010 UWMP, CCWA concludes it will obtain its full contract entitlement of 45,486 ac-ft/yr from 2010 to 2035.

Based on updated reliability analysis the SWP could deliver 63-60 percent of the allotted amounts on a long-term average basis. These most recent analyses also project that SWP deliveries during multiple-dry year periods would be about 32 to 36 percent of the allotted amounts, and possibly as low as 6 percent of the allotted amounts during an unusually dry single year. During wetter years, or about 25 percent of the time, 100 percent of full amounts are projected to be available.

6.1.1.1 Reliability of Return Flows

Based on projected demands, GSWC will import their full allotment of 550 ac-ft/yr of SWP water for the Orcutt System. Under the Stipulation, GSWC may also pump 45 percent of the return flows (an estimated 250 ac-ft/yr, 94 ac-ft/yr for the Orcutt System) of the SWP water. As mentioned above, the return flow water will also be impacted by the reliability of SWP water. Over the long-term, the return flows are expected to be as reliable as the SWP supply or approximately 63-60 percent of the full Table A allotment. However, during single-dry years and multiple-dry years, the return flows are expected to be about 11 percent and 32 percent reliable, respectively.

6.1.2 The City of Santa Maria Water Supply Reliability

The City of Santa Maria has provided projections of its water supply reliability in their 2010 Draft UWMP. The Draft UWMP incorporates the projected demands of the Orcutt System in the 2010 Draft UWMP. The City of Santa Maria has agreed to supply GSWC with the amounts of water shown in Table 4-1. The City of Santa Maria projects the supplies to the Orcutt System will be 63-60 percent reliable through 2035. This reliability is based on the projected deliveries to Santa Maria of SWP water.

6.1.3 GSWC's Groundwater Supply Reliability

The Basin, especially the Santa Maria Valley Management Area, is a very reliable source of water for the Orcutt System. This reliability is based on GSWC's water rights in the Basin and agreements with the City of Santa Maria and Guadalupe regarding use of return flows from imported SWP water. In addition, the Basin has large volume of groundwater in storage to buffer drought conditions, as has been demonstrated historically.

As a part of the Stipulation, GSWC, along with the City of Santa Maria and Guadalupe, has preferential appropriative rights to surplus native groundwater. Therefore, these parties may pump groundwater without limitation unless a Severe Water Shortage Condition exists, as defined and provided in the Stipulation. The four conditions that serve as the basis for determination of the existence of a Severe Water Shortage Condition are described below. In the event of a Severe Water Shortage Condition, the Court may order GSWC, along with the City of Santa Maria and Guadalupe, to limit their pumping to their respective shares of groundwater derived from the Twitchell Yield, return flows, and any other assigned rights.

The Stipulation has requirements for monitoring and management to ensure that water supplies continue to be sufficient to support water uses in the Basin. Annual monitoring will be implemented to report on water demands and water supplies. The Stipulation includes provisions to avoid Severe Water Shortage Conditions and a procedure to deal with Severe Water Shortage Conditions. Given the historic reliability of Basin supplies, Severe Water Shortage Conditions shall be found to exist only when the Management Area Engineer, based on ongoing monitoring, finds the following: 1) groundwater levels in the Management Area are in a condition of chronic decline over a period of not less than 5 years, 2) the groundwater decline has not been caused by drought, 3) there has been material increase in groundwater use during the 5-year period, and 4) monitoring wells indicated that groundwater levels in the Santa Maria Valley Management Area are below the lowest recorded levels. The procedure for addressing Severe Water Shortage Conditions is described in the Stipulation, which may include limitations on groundwater use.

The Stipulation also has provisions for the management and administration of the Twitchell Project. These provisions are designed to provide for funding and operation of the Twitchell Project, to maintain the water supply to the Basin.

As noted, GSWC has rights to rely on its highest historical use of groundwater, plus 10,000 ac-ft/yr of groundwater derived from the Twitchell Project, its SWP return flows, and any additional rights to return flows assigned to GSWC through agreements with Santa Maria. GSWC may also access rights to additional SWP return flows through the Santa Maria Valley Public Water Purveyor Water Management Agreement to ensure reliability of its supplies in the future, as demands grow.

In conclusion, GSWC has firm access to native groundwater, the additional 10,000 ac-ft/yr of groundwater derived from the Twitchell Project, SWP entitlement, plus the 5-year average of SWP water return flows to meet its water demands in the Orcutt System. This reliability could be reduced in the event that initial court response to a Severe Water Shortage Condition requires imposition of limitations on groundwater use. However, there are many options available to GSWC to avoid such limitations, such as temporary transfers of rights to pump native groundwater or other actions that might be approved by the court.

6.1.4 Water Supply Reliability Analysis

Reliability for the Orcutt System depends upon the reliability of imported water, groundwater production, and maintenance of the Twitchell Project, as discussed above. As presented in Table 4-1, a sufficient water supply exists to meet the projected water demands in the Orcutt System. Available supplies exceed supplies needed to meet the projected demands. This supply buffer (excess available supply) serves to increase reliability of supplies.

Purchased water supplies from the SWP project are estimated by incorporating the average supply reliability of SWP water delivered to CCWA. Applying 60 percent reliability to the 550 ac-ft/yr SWP water provides 330 ac-ft/yr of reliable SWP supplies to GSWC for the Tanglewood and Orcutt Systems. After subtracting the Tanglewood water demands GSWC estimates 209 ac-ft/yr of supplies are available to the Orcutt System through 2035. Given the applied CCWA SWP reliability factor, this remaining supply is expected to be 100 percent reliable during normal water years.

The return flows are calculated by multiplying the imported water by the return flow factors in the Stipulation. GSWC may extract 45 percent of their total imported water supply as return flows.

Santa Maria may extract 65 percent of their imported water supply as return flows. The available assigned rights (return flows or SWP obtained through the Orcutt-Santa Maria interconnection) from Santa Maria are estimated to range from 473 ac-ft/yr in 2015 to 900 ac-ft/yr in 2035, as shown in Table 4-1. Again, these estimated supplies are expected to be 100 percent reliable during normal water years. Supply reliability for the Orcutt System depends upon the reliability of imported water and local groundwater supplies, as discussed above. Table 6-1 presents water supply projections from purchased water, groundwater, and return flows during a normal year, single-dry year and multiple-dry years for the Orcutt System. The normal year supply represents the expected supply under average hydrologic conditions, the dry-year supply represents the expected supply under the single driest hydrologic year, and the multiple-dry year supply represents the expected supply during a period of three consecutive dry years.

As described above, imported water supplies from the SWP are expected to be 60-63 percent (based on a long-term average basis) reliable for the normal years. The SWP deliveries during the multiple-dry year periods are projected to be approximately 32-34 percent of the allotted amounts and possibly as low as 6-11 percent of the allotted amount during an unusually dry single year. The available water supplies for 2035 are calculated accordingly and are presented in Table 6-1. The remaining water demand that is not met with the SWP water (and the associated return flows) will be met by groundwater supplies in accordance with the Stipulation. As described in the Stipulation, the Management Area Engineer is responsible for monitoring water conditions and recommending water supply projects and programs to ensure water supplies are available to each Management Area under all hydrologic conditions.

Table 6-1: Supply Reliability for the Orcutt System for Year 2035 in ac-ft/yr

Source	Normal Water Year	Single-Dry Water Year	Multiple-Dry Water Years		
			Year 1	Year 2	Year 3
CCWA SWP Water (1)	23	23	67	67	67
City of Santa Maria SWP Water (1&2)	99	99	288	288	288
Return Flows (1)	10	10	30	30	30
Groundwater	10,000	10,000	10,000	10,000	10,000
Total	10,132	10,132	10,385	10,385	10,385
Percent of Normal		90%	93%	93%	93%

Notes:
1. Based of CCWA Draft 2010 UWMP
2. Based on City of Santa Maria Draft 2010 UWMP
3. Table format based on DWR Guidebook Table 28.

Table 6-2 lists single-dry year and multiple-dry year periods for both groundwater and purchased water supplies. The single-dry year and multiple-dry year periods are based on CCWA's Draft 2010 UWMP (which are based on SWP) analysis of the lowest average precipitation for a single year and the lowest average precipitation for a consecutive multiple-year period, respectively.

Based on historical records from 1876 to 2004, SWP has indicated that 1977 is the single-dry year and the years of 1931-1934 are representative of driest four consecutive SWP supplies. A normal water year is based on the long-term average basis. Using existing facilities operated under current regulatory conditions, with all contractors asking for their full amounts in most years, SWP would be able to deliver 60-63 percent of the total supplies during a normal water year. The dry-year water supply from SWP would be about 32-34 percent of normal during multiple-dry years and about 6-11 percent during a single-dry year(CCWA, 2010).

For the groundwater reliability analysis, local precipitation data from 1949 through 2009 were reviewed. Data for the water year basis were obtained by the WRCC at Santa Maria. Precipitation data was evaluated from water year (WY) 1948-49 (October 1 to September 30, 1949) through WY 2008-09 (October 1, 2008 to September 30, 2009). Water year 1971-72 was the single driest year with 4.26-inches of precipitation. The normal water year was based on DWR's description of the median water year over the period of record. The median annual precipitation between WY 1949 and WY 2009 at Santa Maria was 12.07-inches. Based on the median precipitation, the normal water year was WY 1988. The multiple-dry year period of WY 1970 through WY 1972 recorded the lowest 3-year total of precipitation.

Table 6-2: Basis of Water Year Data

Water Year Type	Base Year(s)	Historical Sequence
Purchased Water[1]		
Normal Water Year	1988	1949 – 2009
Single-Dry Water Year	1977	1949 – 2009
Multiple-Dry Water Years	1931-1934	1949 – 2009
Groundwater[2]		
Normal Water Year(3)	1988	1949 – 2009
Single-Dry Water Year	1972	1949 – 2009
Multiple-Dry Water Years	1970 – 1972	1949 – 2009

Notes:

1. Data used was from Western Regional Climate Center record of precipitation at the Santa Maria station on water year basis.
2. Table format based on DWR Guidebook Table 27.

6.1.5 Factors Resulting in Inconsistency of Supply

Table 6-3 presents factors resulting in inconsistency of supply for the Orcutt System. The only factors that will affect supply are environmental factors that limit the SWP water supplies. These factors limit pumping in the Bay-Delta which in turn reduces the ability of the SWP to deliver water to CCWA.

Table 6-3: Factors Resulting in Inconsistency of Supply

Name of Supply	Legal	Environmental	Water Quality	Climatic
SWP via CCWA and Santa Maria and Return Flows	N/A	Bay Delta Pumping Restrictions	N/A	N/A
Groundwater, Santa Maria Groundwater Basin	N/A	N/A	N/A	N/A

Notes:
1. Table format based on DWR Guidebook Table 29.
2. N/A – Not Applicable.

6.2 Normal Water Year Analysis

Table 6-4 summarizes the service reliability assessment for a normal water year based on water supply and water demand projections. As mentioned earlier the normal year analysis for the SWP (CCWA, Santa Maria and Return Flows) deliveries are expected to be 60-63 percent of the full Table A allotment. Under normal conditions the remainder of the supplies (Groundwater) are expected to be 100 percent reliable to 2035.

Table 6-4: Comparison of Projected Normal Year Supply and Demand

	2015	2020	2025	2030	2035
Water Supply Total (ac-ft/yr)	10,776	10,903	11,103	11,203	11,203
Water Demand Total (ac-ft/yr)	9,013	9,297	9,628	9,978	10,328
Difference (supply minus demand)	1,763	1,606	1,475	1,225	875
Difference as Percent of Supply	-16%	-15%	-13%	-11%	-8%
Difference as Percent of Demand	20%	17%	15%	12%	8%

Note:
Table format based on DWR Guidebook Table 32.

6.3 Single-Dry-Year Analysis

Table 6-5 demonstrates the reliability of water supplies to meet projected annual water demands for the Orcutt System in a single-dry year. The single-dry year scenario has the greatest effect on supplies, potentially reducing SWP supplies to 6 to 11 percent of normal deliveries. Under this scenario the Orcutt System has adequate supplies (based on the groundwater supply) to meet projected demands to 2030, there is a 2 percent supply deficiency in 2035.

Table 6-5: Comparison of Projected Supply and Demand for Single-Dry Year

	2015	2020	2025	2030	2035
Supply Total (ac-ft/yr)	10,054	10,072	10,099	10,120	10,132
Demand Total (ac-ft/yr)	9,013	9,297	9,628	9,978	10,328
Difference (supply minus demand)	1,042	776	471	143	-196
Difference as Percent of Supply	10%	8%	5%	1%	-2%
Difference as Percent of Demand	12%	8%	5%	1%	-2%

Note:

Table format based on DWR Guidebook Table 33.

6.4 Multiple-Dry-Year Analysis

Table 6-6 presents the projected multiple-dry year water supply and demand assessment. The third year of the multiple-dry year water supply projection represents the end of each three-year multiple-dry year period as required for the multiple-dry year analysis.

Table 6-6 demonstrates that the water supplies are sufficient to meet the projected water demand for each multiple-dry year period because groundwater and purchased water can supply reliable water through 2030; with a 2 percent supply deficit in 2035.

In summary, GSWC will continue to research options such as temporary transfers of rights to pump native groundwater or other actions that might be approved by the court to ensure that the total water demands can be met under normal, single-dry year, and multiple-dry years.

Table 6-6: Projected Multiple-Dry Year Water Supply and Demand Assessment					
Year	**Supply (ac-ft/yr)**	**Demand (ac-ft/yr)**	**Difference**	**Difference as Percent of Supply**	**Difference as Percent of Demand**
2011					
2012					
2013	10,272	8,327	1,944	19%	23%
2014	10,272	8,670	1,602	16%	18%
2015	10,272	9,013	1,259	12%	14%
2016					
2017					
2018	10,307	9,183	1,124	11%	12%
2019	10,307	9,240	1,067	10%	12%
2020	10,307	9,297	1,010	10%	11%
2021			0		
2022			0		
2023	10,375	9,496	879	8%	9%
2024	10,375	9,562	813	8%	9%
2025	10,375	9,628	747	7%	8%
2026					
2027					
2028	10,397	9,838	559	5%	6%
2029	10,397	9,908	489	5%	5%
2030	10,397	9,978	419	4%	4%
2031					
2032					
2033	10,382	10,188	194	2%	2%
2034	10,382	10,258	123	1%	1%
2035	10,382	10,328	53	1%	1%

Notes:

1. This assessment is based on the 3-year multiple-dry year period ending in 2015, 2020, 2025, 2030, and 2035.
2. Table format based on DWR Guidebook Table 34.

Chapter 7: Conservation Program and Demand Management Measures

This Chapter addresses the water conservation requirements of the Act for the Orcutt System and includes a summary of current and planned Demand Management Measure (DMM) implementation and an overview of the proposed program for compliance with SBX7-7 which requires 20 percent statewide reduction in urban water use by 2020. The DMM portions of the Act state the following:

Section 10631.

(f) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1) A description of each water demand management measure that is currently being implemented, or scheduled for implementation, including the steps necessary to implement any proposed measures, including, but not limited to, all of the following:

(A) Water survey programs for single-family residential and multifamily residential customers.

(B) Residential plumbing retrofit.

(C) System water audits, leak detection, and repair.

(D) Metering with commodity rates for all new connections and retrofit of existing connections.

(E) Large landscape conservation programs and incentives.

(F) High-efficiency washing machine rebate programs.

(G) Public information programs.

(H) School education programs.

(I) Conservation programs for commercial, industrial, and institutional accounts.

(J) Wholesale agency programs.

(K) Conservation pricing.

(L) Water conservation coordinator.

(M) Water waste prohibition.

(N) Residential ultra-low-flush (ULF) toilet replacement programs.

(2) A schedule of implementation for all water demand management measures proposed or described in the plan.

(3) A description of the methods, if any, that the supplier will use to evaluate the effectiveness of water demand management measures implemented or described under the plan.

(4) An estimate, if available, of existing conservation savings on water use within the supplier's service area, and the effect of the savings on the supplier's ability to further reduce demand.

(g) An evaluation of each water demand management measure listed in paragraph (1) of subdivision (f) that is not currently being implemented or scheduled for implementation. In the course of the evaluation, first consideration shall be given to water demand management measures, or combination of measures, that offer lower incremental costs than expanded or additional water supplies. This evaluation shall do all of the following:

(1) Take into account economic and noneconomic factors, including environmental, social, health, customer impact, and technological factors.

(2) Include a cost-benefit analysis, identifying total benefits and total costs.

(3) Include a description of funding available to implement any planned water supply project that would provide water at a higher unit cost.

(4) Include a description of the water supplier's legal authority to implement the measure and efforts to work with other relevant agencies to ensure the implementation of the measure and to share the cost of implementation.

(j) For purposes of this part, urban water suppliers that are members of the California Urban Water Conservation Council shall be deemed in compliance with the requirements of subdivisions (f) and (g) by

complying with all the provisions of the "Memorandum of Understanding Regarding Urban Water Conservation in California," dated December 10, 2008, as it may be amended, and by submitting the annual reports required by Section 6.2 of that memorandum.

7.1 Conservation Program Background

In 1991, GSWC became a signatory to the MOU regarding water conservation in California and a member of the CUWCC, establishing a firm commitment to the implementation of the Best Management Practices (BMPs) or DMMs. The CUWCC is a consensus-based partnership of agencies and organizations concerned with water supply and conservation of natural resources in California. By becoming a signatory, GSWC committed to implement a specific set of locally cost-effective conservation practices in its service areas. In order to facilitate efficient BMP reporting for GSWC across service areas spread throughout California, several BMP "Reporting Units" were established. The Orcutt BMP Reporting Unit is equivalent to the Orcutt System.

As an investor-owned utility, GSWC's ability to obtain funding and implement conservation programs is contingent on approval of the General Rate Case by the CPUC. GSWC is currently in the process of reviewing and revising its existing conservation program as follows:

- In 2011, GSWC will be submitting a General Rate Case with the CPUC which will facilitate further development of cost-effective conservation programs, including compliance with SBX7-7.

- Subject to funding approval for each rate making area, GSWC will conduct a baseline water use efficiency assessment of each of its districts to identify opportunities for cost-effective conservation. Results of the baseline assessment will be available by 2013, and will enable GSWC to define programs that target water savings in specific areas and meet DMM requirements.

- To the extent practicable, a companywide conservation program will then be implemented. Varying levels of program implementation will be scaled as appropriate for each district depending on funding availability, local wholesaler and regional participation levels, and SBX7-7 targets.

The MOU and associated BMPs were revised by the CUWCC in 2008, which is equated to the DMMs per Section 10631(j) of the Act. The revised BMPs now contain a category of "Foundational BMPs" that signatories are expected to implement as a matter of their regular course of business. These include Utility Operations (metering, water loss control, pricing, conservation coordinator, wholesale agency assistance programs, and water waste ordinances) and Public Education (public outreach and school education programs). The remaining BMPs are generally quantifiable (the water savings achieved from implementation can be directly calculated) and are called "Programmatic BMPs." Programmatic BMPs are divided into Residential, Large Landscape, and CII categories. These revisions are reflected in the CUWCC's BMP reporting database starting with reporting year 2009. The revised BMP organization is also reflected in the 2010 UWMP's DMM compliance requirements. A summary of the DMMs described in the Act and the current CUWCC BMP organization is presented in Table 7-1 for reference.

Table 7-1: CUWCC BMP and UWMP DMMs Organization and Names					
CUWCC BMP Organization and Names (2009 MOU)				**UWMP DMMs**	
Type	Category	BMP #	BMP name	DMM #	DMM name
Foundational	Operations Practices	1.1.1	Conservation Coordinator	L	Water conservation coordinator
		1.1.2	Water Waste Prevention	M	Water waste prohibition
		1.1.3	Wholesale Agency Assistance Programs	J	Wholesale agency programs
		1.2	Water Loss Control	C	System water audits, leak detection, and repair
		1.3	Metering with Commodity Rates for All New Connections and Retrofit of Existing Connections	D	Metering with commodity rates for all new connections and retrofit of existing connections
		1.4	Retail Conservation Pricing	K	Conservation pricing
	Education Programs	2.1	Public Information Programs	G	Public information programs
		2.2	School Education Programs	H	School education programs
Programmatic	Residential	3.1	Residential assistance program	A	Water survey programs for single-family residential and multi-family residential customers(1)
				B	Residential plumbing retrofit
		3.2	Landscape water survey	A	Water survey programs for single-family residential and multi-family residential customers(1)
		3.3	High-Efficiency Clothes Washing Machine Financial Incentive Programs	F	High-efficiency washing machine rebate programs
		3.4	WaterSense Specification (WSS) toilets	N	Residential ultra-low-flush toilet replacement programs
	Commercial, Industrial, and Institutional	4	Commercial, Industrial, and Institutional	I	Conservation programs for commercial, industrial, and institutional accounts
	Landscape	5	Landscape	E	Large landscape conservation programs and incentives

Note:

1. Components of DMM A (Water survey programs for single-family residential and multi-family residential customers) applies to both BMP 3.1 (Residential assistance program) and BMP 3.2 (Landscape water survey)

7.2 Implementation of BMPs/DMMs

This section provides a description of the various programs and conservation activities implemented in the Orcutt System. Signatories to the MOU are permitted by Water Code Section 10631(j) to include their biennial CUWCC BMP reports in an UWMP to meet the requirements of the DMMs sections of the UWMP Act if the agency is meeting all provisions of the MOU. The Orcutt System CUWCC BMP coverage report for 2009 through 2010 is included as Appendix C and supplements the summary of BMP implementation activities provided in this chapter.

GSWC is progressing towards implementing all Foundational BMPs required in the revised MOU and UWMP Act. In order to maintain consistency with the SBX7-7 planning process, GSWC has chosen to comply with the remainder of the CUWCC MOU through the gpcd compliance option for the Orcutt Reporting Unit. The gpcd compliance option allows MOU signatories to employ any conservation program approach that attains a two percent per year per capita savings, for a total reduction of 18 percent by 2018. Since the CUWCC water savings goal is consistent with the 20 percent water savings requirement for SBX7-7, the CUWCC MOU and SBX7-7 compliance strategies are the same and the terms are used interchangeably throughout this chapter. Although current and planned implementation of programmatic BMPs need not be demonstrated under the gpcd compliance approach, a discussion of conservation programs and accomplishments in the Orcutt System is provided for information.

GSWC plans to continue to implement and track conservation programs for the Santa Maria Reporting Unit. GSWC also partners on conservation activities with its wholesale water suppliers, including CCWA. GSWC's customers are eligible for a number of conservation programs offered by CCWA, providing water savings to GSWC. Examples of programs offered by wholesale suppliers that are available to customers include High Efficiency Clothes Washers (HECW) rebates, CII programs and rebates, and High Efficiency Toilets (HET) rebates.

7.3 Foundational DMMs

7.3.1 Utility Operations

7.3.1.1 Conservation Coordinator

This BMP is implemented. GSWC maintains a fully staffed Conservation Department with a companywide Water Use Efficiency Water Conservation Analyst and a Water Conservation Coordinator that represents each of the three regions to administer conservation programs and support wholesaler programs which includes the Orcutt System. GSWC also employs a number of consultants to support program development and implementation.

7.3.1.2 Water Waste Prevention

Although GSWC does not have rule-making authority, it supports member agencies and local cities in efforts to adopt ordinances that will reduce water waste. This BMP is implemented through CPUC-approved rules provided in Appendix D, including: Rule No. 14.1, the Water Conservation and Rationing Plan, Rule 11, Discontinuance and Restoration of Service.

CPUC's methodology for water utilities to implement Rule 14.1 is documented in Standard Practice U-40-W, "Instructions for Water Conservation, Rationing, and Service Connection Moratoria." Rule No. 14.1 sets forth water use violation fines, charges for removal of flow

restrictors, and the period during which mandatory conservation and rationing measures will be in effect. Water conservation restrictions include:

- Use of potable water for more than minimal landscaping.
- Use through a broken or defective water meter.
- Use of potable water which results in flooding or runoff in gutters or streets.
- Use of potable water for washing private cars or commercial aircrafts, cars, buses, boats, or trailers, except at a fixed location where water is properly maintained to avoid wasteful use.
- Use of potable water for washing buildings, structures, driveways, street cleaning or other hard-surfaced areas.
- Use of potable water to irrigate turf, lawns, gardens or ornamental landscaping.
- Use of potable water for construction purposes.
- Use of potable water for filling or refilling of swimming pools.

Rule No. 20 (approved in 1978) discourages wasteful use of water and promotes use of water-saving devices. The stated purpose of the rule is to “ensure that water resources available to the utility are put to a reasonable beneficial use and that the benefits of the utility's water supply and service extend to the largest number of persons." Together, Rules 11, 14.1 and 20 prohibit negligent or wasteful use of water, create a process for mandatory conservation and rationing, and promote the use of water-saving devices.

7.3.1.3 Water Loss Control

Unaccounted for water losses are monitored by the Water Loss Control Department (WLCD) by reviewing the Water Audit program’s survey results. If the amount of unaccounted for water exceeds the established tolerance levels, a Leak Detection Audit is performed. This is conducted by the Water Loss Control Technician with the most current leak detection technology, a Sonic Leak Detection Sound Amplification Instrument. To pinpoint leaks, the technician conducts a comprehensive survey of the system by making physical contact with all available main line valves, hydrant valves and all service connections.

For calendar year 2009, GSWC implemented the American Water Works Association (AWWA) M36 Standard Water Audit methodology. The approach consists of a component analysis of leaks for designation into “revenue” and “non-revenue” categories and an economic analysis of recoverable loss. Results of the analysis, which are included in Appendix E, show an infrastructure leakage index (ILI) of 1.81. According to general guidelines, an ILI of 1.0 to 3.0 is appropriate for systems where water resources are costly to develop or purchase, ability to increase revenues via water rates is greatly limited because of regulation or low ratepayer affordability, and operating with system leakage above this level would require expansion of existing infrastructure and/or additional water resources to meet the demand. The initial evaluation suggests that the Orcutt System is within the parameters of a high functioning system as defined by the AWWA.

Before the AWWA Standard Water Audit M36 methodology was implemented, prescreening for water losses was conducted by comparing the total volume of water sales and other verifiable

uses against the total water supply into the system. A full audit was triggered if the total sales and verifiable uses was less than 90 percent of the total supply (i.e. unaccounted-for-water exceeded 10 percent). Table 7-2 summarizes the results.

Table 7-2: Water Loss Control Evaluation Summary

Report Year	Prescreen Completed	Prescreen Result
2006	No	N/A
2007	No	N/A
2008	Yes	90.20%
2009	Yes	90.20%

Note:
2010 Data Not applicable; M36 method implemented.

Implementation Steps and Schedule

Effective 2010, GSWC will continue to implement the Standard Audit and Water Balance worksheets procedures following the AWWA M36 protocol for the next 4 years, taking measurable steps to improve data accuracy while cost-effectively reducing non-revenue water through repair of leaks and other measures. The water audit for calendar year 2010 will be completed by mid-2011.

GSWC used version 3.0 of the AWWA Water Audit software for its initial evaluation, and will use the current software for all future evaluations which includes metrics for evaluating the validity of the data. GSWC already has a comprehensive work order management system in place that documents leak locations and repair history.

7.3.1.4 Metering with Commodity Rates for All New Connections and Retrofit of Existing Connections

All customers of the Orcutt System are metered and billed by volume on a monthly basis. A meter maintenance and repair plan has been submitted to the CUWCC. In addition, GSWC follows the requirements of CPUC General Order 103-A which prescribes minimum water system design, operation and maintenance standards for water utilities includes requirements for calibrating, testing frequency, and replacing water meters.

7.3.1.5 Retail Conservation Pricing

All metered customers in the Orcutt System are charged volumetrically. In addition, effective September 2009, GSWC has implemented a three-tiered conservation pricing rate structure for residential customers, as approved by the CPUC for Region I, including the Orcutt System customers. The current rate structure for residential customers has a fixed charge as well as volumetric escalating pricing tiers, depending on customer usage. Non-residential customers have a fixed charge and a fixed volumetric charge. Implementation of this revised pricing policy is the result of GSWC's collaboration with CPUC to implement conservation tiered rates for residential customers of investor-owned utilities. Tiered rates are consistent with the CPUC's Water Action Plan.

Implementation Steps and Schedule

2009 and 2010 volumetric and fixed price revenue data for the Santa Maria Reporting Unit are summarized in the BMP Coverage Report located in Appendix C. Since 2009, GSWC has been adding third tier pricing structures and increasing volumetric charges. In 2010, volumetric revenue consisted of 67.2 percent of Orcutt's total revenue which is on track to meet the 2012 MOU goal of 70 percent. GSWC will be submitting a General Rate Case filing to the CPUC in 2011, which includes a proposed rate increase for volumetric charges for Region I customers.

As previously discussed, GSWC will be submitting a General Rate Case filing with the CPUC in 2011 which includes a proposed rate increase on volumetric charges for customers in the Santa Maria Reporting Unit. If approved, this rate increase will allow GSWC to increased volumetric revenues and progress towards fulfilling the requirements of the Retail Conservation Pricing BMP. If the rate structure increases are approved as proposed, it is anticipated that GSWC will be on track to meet this BMP by 2015.

7.3.1.6 Education

Public Information Programs

GSWC offers public information programs for Orcutt customers. For 2011, GSWC has an approved annual budget of $6,500 for public education and outreach for the Orcutt system. GSWC offers free conservation literature and brochures in the Customer Service Area office, runs annual water conservation ads in the local paper, participates in various conservation events, and outreach activities completed by GSWC between 2006 and 2010 are summarized in Table 7-3.

Table 7-3: Outreach Activities

Item	2006	2007	2008	2009	2010
Paid Advertising	1	1	1	2	2
Public Service Announcement	1	1	1	2	2
Bill Inserts / Newsletters / Brochures	3	3	3	4	4
Bill showing water usage in comparison to previous year's usage	Yes	Yes	Yes	Yes	Yes
Demonstration Gardens	1	1	1	0	1
Special Events, Media Events	1	1	1	0	0
Speaker's Bureau	0	0	0	0	0
Program to coordinate with other government agencies, industry, public interest groups and media	No	No	No	Yes	Yes

School Education Programs

GSWC sponsors the WaterWise school education program in Orcutt elementary schools, as implemented by its vendor, Resource Action Programs, with a 2010 annual budget of $23,450. Students learn about conservation practices and receive a free conservation kit that includes a

water survey, 1.5 gpm low-flow shower head, 1.5 gpm kitchen sink and 1.0 gpm bathroom aerators, leak detection dye tablets, a watering gauge, and step-by-step instructions. The students are given a homework assignment to complete a water audit form and replace inefficient showerheads and aerators with water-saving devices provided in the kit. The program has been a very effective way for GSWC to reach a large number of customers and educate students, who in turn educate their parents about water efficiency practices and low-flow plumbing devices.

Results from the program are tracked, and a comprehensive Program Summary Report is generated at the end of each school year. This report documents the estimated reduction in water usage that was achieved through the retrofits and provides data on the percentage of students who participated in the program. Table 7-4 provides a summary of program participation results between 2006 and 2010.

In addition, GSWC partners with its local wholesaler, CCWA to provide other school education programs. Programs include participation in the DWR statewide Water Education Committee, free educational materials and curricula distribution to teachers, the Water Awareness High School Video Contest, a Book Bag Lending Program, and classroom presentations for K-12 grades. Through these programs, students and teachers gain exposure to water conservation ideas.

Table 7-4: School Education Activities

	2006	2007	2008	2009	2010
Presentations	0	0	21	21	22
Grade	0	0	4^{th} – 6^{th}	K-6^{th}	K-6^{th}
Number of students	0	0	653	632	670

In addition to the RAP and partnering with wholesalers and other public agencies, GSWC implements the Science Discover (SD) program. During the 2009/2010 school year, GSWC conducted school conservation education programs for an estimated 15,525 students companywide.

7.3.1.7 Methods Used to Evaluate the Effectiveness and Water Savings from Foundational BMPs

Effective implementation of the Foundational BMPs is critical to ensuring the long-term success of GSWC's conservation efforts. GSWC will utilize quantitative methods to assess the effectiveness of each BMP, to the extent practicable. The effectiveness of the Water Waste Prevention and Water Loss Control BMPs can be measured, in part, by completing the annual M36 water loss audits, maintaining an ILI score between 1 and 3, and documenting a year-over-year reduction in unaccounted-for water. GSWC will track the impact of new conservation pricing by using its existing billing system to carefully monitor consumption of residential customers.

The effectiveness of implementing Public Education BMPs will be measured by tracking the number of public outreach events and education programs where customers receive information on conservation. A successful public information program should encourage customers to take

advantage of conservation incentives being offered by GSWC and CCWA as Programmatic DMMs.

There are no direct estimates of water savings applicable to the Foundational BMPs; however, these measures will continue to contribute to reducing the Orcutt System's demand.

7.4 Programmatic DMMs

GSWC intends to continue to comply with the MOU using the gpcd compliance approach for the Orcutt System. The baseline gpcd is equal to the average annual potable water gpcd for the years 1997 through 2006. This approach requires the purveyor to submit biennial gpcd target reports to the CUWCC. The biennial targets are computed by multiplying the agency's baseline gpcd by the applicable reduced target, as a percentage. The targets will gradually decrease to 82 percent of the baseline in 2018. This approach allows the purveyor to choose which programs they would like to implement, as long as the combined water savings attributable to these programs is sufficient to meet their biennial gpcd targets. The gpcd compliance option water savings targets are comparable to those required by SBX7-7, as detailed in Section 7.5.

Once the pending rate case is approved by the CPUC, GSWC will develop a prioritized water use efficiency program and implementation schedule for all customer service areas in the company, focusing on systems with the highest SBX7-7 water use reduction targets and those where specific conservation activities can be implemented that are locally cost-effective.

The gpcd compliance option does not require specific implementation plans for each programmatic BMP, and the following descriptions of current program offerings are provided for information purposes only. Water savings estimates are also not available for each program, as implementation levels have not been defined under the gpcd compliance option requirements. Most of the Programmatic DMMs described below for the Orcutt System are being implemented by CCWA. Additional detailed description of CCWA's programs can be found in CCWA's 2010 UWMP.

7.4.1 Residential DMMs

7.4.1.1 Residential Assistance Programs

GSWC has an audit program targeting high-use single-family (SF) and multi-family (MF) customers. GSWC identifies these customers based on billing data and contacts them to offer free audits. Audits are also offered to walk-in customers at the local customer service area office. Additional home audits are conducted as part of the school education program (Section 7.3.1.6). Low-flow devices are available for free to customers at the GSWC office and are distributed to students as part of the free conservation kits they receive in the school education program.

7.4.1.2 Landscape Water Surveys

GSWC identifies high-water use SF and MF customers throughout the company and contacts them to offer free landscape water audits. To date, one customer in the Orcutt System requested an audit to be performed.

7.4.1.3 High-Efficiency Clothes Washers

The GSWC webpage for Orcutt advertises the rebates and provides an online form. The water efficiency of clothes washers is represented by the "water factor," which is a measure of the amount of water used to wash a standard load of laundry. Washers with a lower water factor save more water. The program eligibility requirement is currently set at water factor 4.0, which saves over 10,000 gallons per year per washer over a conventional top loading washer.

Methods Used to Evaluate Effectiveness

GSWC tracks customer participation in the HECW rebate program and estimates that 28 gallons per day are saved for each HECW installed. There are no anticipated impacts on GSWC's ability to further reduce demands.

7.4.1.4 WaterSense Specification (WSS) Toilets

GSWC customers have been eligible to participate in a residential HET rebate program since 2008. The GSWC webpage for Orcutt advertises the rebates and provides an online application form.

Methods Used to Evaluate Effectiveness

GSWC tracks customer participation in the HET rebate program to measure effectiveness. According to the CUWCC Research and Evaluation committee, it is estimated that 21.1 and 26.6 gallons per day are saved for each HECW installed in SF and MF units, respectively. There are no anticipated impacts on GSWC's ability to further reduce demands.

7.4.1.5 Water Sense Specification for Residential Development

Integration of WSS fixtures for new development will be accelerated by the 2010 California Green Building Standards Code (CAL Green Code), which became effective in January 2011. The CAL Green Code sets mandatory green building measures, including a 20 percent reduction in indoor water use, as well as dedicated meter requirements and regulations addressing landscape irrigation and design. Local jurisdictions, at a minimum, must adopt the mandatory measures; the CAL Green Code also identifies voluntary measures that set a higher standard of efficiency for possible adoption.

7.4.1.6 Toilet Direct Program

GSWC's Toilet Direct Program consists of offering free toilets to SF, MF and commercial customers.

7.4.1.7 Commercial, Industrial, and Institutional DMMs

GSWC is not currently implementing any conservation programs for CII customers in the Orcutt System. However, customers are eligible to participate in a number of CCWA programs, including the Green Awards Consortium, which honors businesses that save water among other environmentally friendly activities; a Lodging Industry Program, which distributes water-saving tips on door hangers and table tents to local hotels; as well as the Save Water, Save a Buck Rebate Program, which offers rebates to commercial, industrial, and institutional water users who retrofit their businesses with water efficient toilets, urinals, and clothes washers. Other programs include the Rinse and Save Program, which retrofits restaurants with efficient pre-rinse spray nozzles; the Conductivity Controller Retrofit Program, which rebates controllers on

commercial cooling towers; and the Waterless Urinal Installation Program, retrofitting County facilities with waterless urinals.

Methods Used to Evaluate Effectiveness

Effectiveness of CII BMPs will be evaluated through tracking multiple parameters including program participation, metered CII water use, high water users, and success of specific CII activities. There are no anticipated impacts on GSWC's ability to further reduce demands.

7.4.1.8 Large Landscape

CCWA's Landscape Water Budget Program provides customers with large landscape irrigation evaluations, provided by staff of the Cachuma Resource Conservation District. The program provides information, training and demonstrations of sustainable landscaping practices including water efficient landscape design and maintenance strategies, and completes audits. An increase in conservation pricing rates in 2011 is expected to generate increased participation as is the funding mechanism that will allow for increased resources for program marketing.

Methods Used to Evaluate Effectiveness

GSWC will track increased customer participation in the CII large landscape water budgeting and rebate programs. There are no anticipated impacts on GSWC's ability to further reduce demands.

7.5 SBX7-7 and CUWCC GPCD Option Compliance Approach

The SBX7-7 water use baseline for the Orcutt system is 277 gpcd. The 2020 compliance goal is 221 gpcd, as detailed in Chapter 3. The CUWCC gpcd compliance option requires 18 percent water use reduction by 2018 (see Appendix C for detailed calculations), which is consistent with the SBX7-7 twenty percent water savings by 2020 targets. For this reason, the same compliance strategy will be implemented to meet both SBX7-7 and the MOU targets.

Several factors have contributed to a rapid reduction in gpcd over the past few years including: the economic recession, recent mild climate conditions, implementation of a residential tiered conservation pricing structure and other conservation measures. Overall, these factors have contributed to a 17 percent decline in per capita water use over the past three years from 274 gpcd in 2008 to an estimated 227 gpcd in 2010. The Orcutt System currently is on track to satisfy its SBX7-7 and MOU goals and GSWC will focus on maintaining these savings over the next 10 years.

However, if the gpcd begins to increase to previous levels, GSWC's continued commitment to complying with the CUWCC MOU and implementation of all BMPs should provide sufficient water savings to meet the goal of 221 gpcd. GSWC will assess implementation of a suite of programs over the next 2 to 3 years to meet conservation targets companywide. Implementation levels and specific program offerings will vary by system depending on system goals, including existing implementation levels, demographics, and hydrologic characteristics.

GSWC is developing a companywide approach that will include assessment of options such as accelerating the current programs and adding additional programmatic, regulatory and information-based activities to meet the requirements of SBX7-7. This systematic approach may allow GSWC to do more with less, in essence, administering overall conservation program

operations from a centralized location while allowing local resources for direct implementation of BMPs and other water savings practices. A number of the programs that will be considered by GSWC to meet SBX7-7 requirements combine financial incentives, regulations, and information elements that build on current activities. Specific programs that may be implemented by 2014 on a company-wide basis include:

Conservation Pricing

GSWC is in the process of filing a General Rate Case application to increase volumetric charges for residential and CII metered customers in its systems. If approved, increased tiered rates for residential and uniform rates for CII accounts are expected to significantly increase water savings and participation in conservation incentive programs in many of GSWC's systems.

Financial Incentives

Ongoing and/or additional financial incentives may be offered directly to customers by GSWC or in partnership with other agencies:

1. HECWs rebates: Clothes washer rebates are already being implemented by Metropolitan on behalf of GSWC and will continue to provide measurable water savings.

2. Zero and low-flow urinal rebates: Rebates would include CII fixtures such as zero consumption and ultra-low volume urinals as well as CII specific HETs.

3. Expansion of fixture rebates to CII and MF customers in all systems: currently, the toilet rebate programs are only available to CII and MF customers in select systems. GSWC will evaluate expansion of the programs to all customers and there will be increased focus on marketing to large Home Owner Association accounts.

4. Larger variety of fixture rebates: This may include hot water distribution tanks, pressurized water brooms and high-pressure spray nozzles.

5. Cash-for-grass rebates: Customers are currently provided with an incentive of up to $0.5 per square-foot of turf removed and replaced with landscape appropriate plants. Depending on the success of Metropolitan's program, this program will be considered by GSWC for both residential and CII customers; it is currently being offered in select GSWC systems.

6. Expansion of large landscape program: GSWC will be evaluating the effectiveness of the current landscape program and making adjustments depending on the results. If the program is found to be successful at meeting reduction targets, the program may be accelerated and more devices will be offered, such as precision nozzles.

Building Code/New Standards

Although it does not have regulatory authority, GSWC supports adoption of new building standards, beyond those currently in code to enhance conservation. If all current code changes that improve the efficiency of fixtures and design are implemented, it could account for up to 60 percent of the expected reduction in demand. Some of the changes proposed will be captured in the CAL Green Code, adopted January 2011 as well as SB407 (Plumbing Retrofit on Resale) and standard updates for toilets and washers that are being phased in.

Information/Tracking

Information and tracking represents a new element to the existing programs focusing on collecting and processing information and ensuring that the programs are on track to meet the goals. These activities will also help in program design by providing more robust information about customers and their water use patterns. The immediate priorities include:

1. Automatic Meter Reading (AMR): GSWC will continue to implement and utilize AMR in its systems as a priority to obtain real time data for water usage and identify customer-side leaks. GSWC currently follows the requirements of CPUC General Order 103-A, which prescribe minimum water system design, operation and maintenance standards for water utilities, and includes requirements for calibrating, testing frequency, and replacing water meters. AMR data, where available can also help GSWC monitor the impacts of existing programs, make adjustments where necessary and develop new programs.

2. Water Use Tracking Tools: Another priority, GSWC will consider plans to design and develop database tracking tools for water savings associated with its conservation plans and increase flexibility in adding or changing program elements.

7.5.1 Consideration of Economic Impacts

Since funding for all conservation activities is subject to approval by the CPUC before programs can be implemented, the economic impacts of complying with SBX7-7 have not yet been fully determined. However, an economic analysis to help develop programs that avoid placing disproportionate burdens on any single sector will be prepared during development of the SBX7-7 water use efficiency program. The annual costs associated with implementing all traditional CUWCC programmatic BMPs cannot be determined because it represents the combined efforts of CCWA and GSWC, where funding levels, incentives and particular measures change from year to year. To continue benefiting customers, GSWC will take advantage of applicable partnership programs that will make conservation programs more efficient and cost effective.

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Chapter 8: Water Shortage Contingency Plan

Section 10632 of the Act details the requirements of the water-shortage contingency analysis. The Act states the following:

> *Section 10632. The plan shall provide an urban water-shortage contingency analysis that includes each of the following elements that are within the authority of the urban water supplier:*
>
> *(a) Stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions, which are applicable to each stage.*
>
> *(b) An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the agency's water supply.*
>
> *(c) Actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.*
>
> *(d) Additional, mandatory prohibitions against specific water-use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning.*
>
> *(e) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water-use reduction consistent with up to a 50 percent reduction in water supply.*
>
> *(f) Penalties or charges for excessive use, where applicable.*
>
> *(g) An analysis of the impacts of each of the actions and conditions described in subdivisions (a) to (f), inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.*
>
> *(h) A draft water shortage contingency resolution or ordinance.*
>
> *(i) A mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.*

This chapter documents GSWC's Water Shortage Contingency Plan for the Orcutt System per requirements of Section 10632 of the Act. The Water Shortage Contingency Plan is based on Rule No. 14.1 Mandatory Water Conservation, Restrictions and Ratings Program adopted by GSWC and on file with CPUC. Appendix D contains the full text of the rule.

The purpose of the Water Shortage Contingency Plan is to provide a plan of action to be followed during the various stages of a water shortage. The plan includes the following elements: action stages, estimate of minimum supply available, actions to be implemented during a catastrophic interruption of water supplies, prohibitions, penalties and consumption reduction methods, revenue impacts of reduced sales, and water use monitoring procedures.

8.1 Action Stages

The Act requires documentation of actions to be undertaken during a water shortage. GSWC has developed actions to be undertaken in response to water supply shortages, including up to a 50 percent reduction in water supply. Implementation of the actions is dependent upon approval of the CPUC, especially for implementing mandatory water use restriction. CPUC has jurisdiction over GSWC because GSWC is an investor-owned water utility. Section 357 of the California Water Code requires that suppliers subject to regulation by the CPUC secure its

approval before imposing water consumption regulations and restrictions required by water supply shortage emergencies.

GSWC has grouped the actions to be taken during a water shortage into four stages, I through IV, that are based on the water supply conditions. Table 8-1 describes the water supply shortage stages and conditions. The stages will be implemented during water supply shortages according to shortage level, ranging from 5 percent shortage in Stage I to 50 percent shortage in Stage IV. A water shortage declaration will be made by the American State Water Company Board. The water shortage stage determination during a water supply shortage will be made by the Regional Vice President Customer Service.

Table 8-1: Water Supply Shortage Stages and Conditions

Stage No.	Water Shortage Supply Conditions	Shortage Percent
I	Minimum	5 - 10
II	Moderate	10 - 20
III	Severe	20 - 35
IV	Critical	35 - 50

Note:
This table is based on the DWR Guidebook Table 35.

The actions to be undertaken during each stage include, but are not limited to, the following:

Stage I (5 - 10 percent shortage) – Water alert conditions are declared and voluntary conservation is encouraged. The drought situation is explained to the public and governmental bodies. GSWC explains the possible subsequent water shortage stages in order to forecast possible future actions for the customer base. The activities performed by GSWC during this stage include, but are not limited to:

- Public information campaign consisting of distribution of literature, speaking engagements, website updates, bill inserts, and conversation messages printed in local newspapers
- Educational programs in area schools
- Conservation Hotline, a toll-free number with trained Conservation Representatives to answer customer questions about conservation and water use efficiency

Stage II (10 - 20 percent shortage) – Stage II will include actions undertaken in Stage I. In addition, GSWC may propose voluntary conservation allotments and/or require mandatory conservation rules. The severity of actions depends upon the percent shortage. The level of voluntary or mandatory water use reduction requested from the customers is also based on the severity. It needs to be noted that prior to implementation of any mandatory reductions, GSWC must obtain approval from CPUC. If necessary, GSWC may also support passage of drought ordinances by appropriate governmental agencies.

Stage III (20 - 35 percent shortage) – Stage III is a severe shortage that entails or includes allotments and mandatory conservation rules. This phase becomes effective upon notification by the GSWC that water usage is to be reduced by a mandatory percentage. GSWC implements mandatory reductions after receiving approval from CPUC. Rate changes are implemented to penalize excess usage. Water use restrictions are put into effect, i.e. prohibited uses can include restrictions of daytime hours for watering, excessive watering resulting in gutter flooding, using a hose without a shutoff device, use of non-recycling fountains, washing down sidewalks or patios, unrepaired leaks, etc. GSWC monitors production weekly for compliance with necessary reductions. Use of flow restrictors is implemented if abusive practices are documented.

Stage IV (35 - 50 percent shortage) – This is a critical shortage that includes all steps taken in prior stages regarding allotments and mandatory conservation. All activities are intensified and production is monitored daily by GSWC for compliance with necessary reductions.

8.2 Minimum Supply

The Act requires an estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for GSWC's water supply.

Table 8-2 summarizes the minimum volume of water available from each source during the next three-years based on multiple-dry water years and normal water year. The driest three-year historic sequence is provided in Chapter 6. The water supply quantities for 2011 to 2013 are calculated by linearly interpolating between the projected water supplies of 2010 and 2015 for normal years. The water supplies for 2010 and 2015 are presented in Chapter 4. The return flows under multiple-dry year conditions are calculated based on the quantities available to the Orcutt System under the Stipulation and the percentage (provided in CCWA's 2005 UWMP) that yields 100 percent reliable supplies. The water supply obtained from new development derived from Santa Maria is also presented below.

GSWC's supply for the Orcutt System is expected to be 100 percent reliable from 2011 to 2013. This reliability is a result of:

- The projected reliability of imported water and associated return flows,
- Reliable groundwater in the Santa Maria Groundwater Basin.

Table 8-2: Three-Year Estimated Minimum Water Supply in ac-ft/yr

Source	2011	2012	2013	2010 Average Year
Purchased water from CCWA / City of Santa Maria	0	0	0	92
Groundwater	9,660	9,660	9,660	7,207
Recycled water	0	0	0	0
Total	7,642	7,985	8,327	7,299

Note:
This table is based on the DWR Guidebook Table 31.

8.3 Catastrophic Supply Interruption Plan

The Act requires documentation of actions to be undertaken by the water supplier to prepare for, and implement during, a catastrophic interruption of water supplies. A catastrophic interruption constitutes a proclamation of a water shortage and could result from any event (either natural or man-made) that causes a water shortage severe enough to classify as either a Stage III or Stage IV water supply shortage condition.

In order to prepare for catastrophic events, GSWC has prepared an Emergency Response Plan (ERP) in accordance with other state and federal regulations. The purpose of this plan is to design actions necessary to minimize the impacts of supply interruptions due to catastrophic events.

The ERP coordinates overall company response to a disaster in any and all of its districts. In addition, the ERP requires each district to have a local disaster plan that coordinates emergency responses with other agencies in the area. The ERP also provides details on actions to be undertaken during specific catastrophic events. Table 8-3 provides a summary of actions cross-referenced against specific catastrophes for three of the most common possible catastrophic events: regional power outage, earthquake, and malevolent acts.

In addition to specific actions to be undertaken during a catastrophic event, GSWC performs maintenance activities, such as annual inspections for earthquake safety, and budgets for spare items, such as auxiliary generators, to prepare for potential events.

Table 8-3: Summary of Actions for Catastrophic Events	
Possible Catastrophe	**Summary of Actions**
Regional power outage	• Isolate areas that will take the longest to repair and/or present a public health threat. Arrange to provide emergency water. • Establish water distribution points and ration water if necessary. • If water service is restricted, attempt to provide potable water tankers or bottled water to the area. • Make arrangements to conduct bacteriological tests, in order to determine possible contamination. • Utilize backup power supply to operate pumps in conjunction with elevated storage.
Earthquake	• Assess the condition of the water supply system. • Complete the damage assessment checklist for reservoirs, water treatment plants, wells and boosters, system transmission and distribution. • Coordinate with Cal EMA utilities group or fire district to identify immediate fire fighting needs. • Isolate areas that will take the longest to repair and/or present a public health threat. Arrange to provide emergency water. • Prepare report of findings, report assessed damages, advise as to materials of immediate need and identify priorities including hospitals, schools and other emergency operation centers. • Take actions to preserve storage. • Determine any health hazard of the water supply and issue any “Boil Water Order” or “Unsafe Water Alert” notification to the customers, if necessary. • Cancel the order or alert information after completing comprehensive water quality testing. • Make arrangements to conduct bacteriological tests, in order to determine possible contamination.
Malevolent acts	• Assess threat or actual intentional contamination of the water system. • Notify local law enforcement to investigate the validity of the threat. • Get notification from public health officials if potential water contamination • Determine any health hazard of the water supply and issue any “Boil Water Order” or “Unsafe Water Alert” notification to the customers, if necessary. • Assess any structural damage from an intentional act. • Isolate areas that will take the longest to repair and or present a public health threat. Arrange to provide emergency water.

8.4 Prohibitions, Penalties, and Consumption Reduction Methods

The Act requires an analysis of mandatory prohibitions, penalties, and consumption reduction methods against specific water use practices which may be considered excessive during water shortages. Given that GSWC is an investor-owned entity, it does not have the authority to pass any ordinance enacting specific prohibitions or penalties. In order to enact or rescind any prohibitions or penalties, GSWC would seek approval from CPUC to enact or rescind Rule No. 14.1, Mandatory Conservation and Rationing, which is included in Appendix D. When Rule No. 14.1 has expired or is not in effect, mandatory conservation and rationing measures will not be in force.

Rule No. 14.1 details the various prohibitions and sets forth water use violation fines, charges for removal of flow restrictors, as well as establishes the period during which mandatory conservation and rationing measures will be in effect. The prohibitions on various wasteful water uses, include, but are not limited to, the hose washing of sidewalks and driveways using potable water, and cleaning for filling decorative fountains. Table 8-4 summarizes the various prohibitions and the stages during which the prohibition becomes mandatory.

Table 8-4: Summary of Mandatory Prohibitions

Examples of Prohibitions	Stage When Prohibition Becomes Mandatory
Uncorrected plumbing leaks	II, III, IV
Watering which results in flooding or run-off in gutters, waterways, patios, driveway, or streets	II, III, IV
Washing aircraft, cars, buses, boats, trailers, or other vehicles without a positive shut-off nozzle on the outlet end of the hose	II, III, IV
Washing buildings, structures, sidewalks, walkways, driveways, patios, parking lots, tennis courts, or other hard-surfaced areas in a manner which results in excessive run-off	II, III, IV
Irrigation of non-permanent agriculture	II, III, IV
Use of water for street watering with trucks or for construction purposes unless no other source of water or other method can be used	II, III, IV
Use of water for decorative fountains or the filling or topping off of decorative lakes or ponds	II, III, IV
Filling or refilling of swimming pools	II, III, IV

Note:
This table is based on the DWR Guidebook Table 36.

In addition to prohibitions during water supply shortage events requiring a voluntary or mandatory program, GSWC will make available to its customers water conservation kits as required by GSWC's Rule No. 20. GSWC will notify all customers of the availability of conservation kits.

In addition to prohibitions, Rule No. 14.1 provides penalties and charges for excessive water use. The enactment of these penalties and charges is contingent on approval of Rule 14.1 implementation by the CPUC. When the rule is in effect, violators receive one verbal and one written warning after which a flow-restricting device may be installed in the violator's service for a reduction of up to 50 percent of normal flow or 6 ccf per month, whichever is greater. Table 8-5 summarizes the penalties and charges and the stage during which they take effect.

Table 8-5: Summary of Penalties and Charges for Excessive Use

Penalties or Charges	Stage When Penalty Takes Effect
Penalties for not reducing consumption	III, IV
Charges for excess use	III, IV
Flat fine; Charge per unit over allotment	III, IV
Flow restriction	III, IV
Termination of service	III, IV

Note:
This table is based on the DWR Guidebook Table 38.

In addition to prohibitions and penalties, GSWC can use other consumption reduction methods to reduce water use up to 50 percent. Based on the requirements of the Act, Table 8-6 summarizes the methods that can be used by GSWC in order to enforce a reduction in consumption, where necessary.

Table 8-6: Summary of Consumption Reduction Methods

Consumption Reduction Method	Stage When Method Takes Effect	Projected Reduction Percentage
Demand reduction program	All Stages	N/A
Reduce pressure in water lines; Flow restriction	III, IV	N/A
Restrict building permits; Restrict for only priority uses	II, III, IV	N/A
Use prohibitions	II, III, IV	N/A
Water shortage pricing; Per capita allotment by customer type	II, IV	N/A
Plumbing fixture replacement	All Stages	N/A
Voluntary rationing	II	N/A
Mandatory rationing	III, IV	N/A
Incentives to reduce water consumption; Excess use penalty	III, IV	N/A
Water conservation kits	All Stages	N/A
Education programs	All Stages	N/A
Percentage reduction by customer type	III, IV	N/A

Note:
This table is based on the DWR Guidebook Table 37.

8.5 Revenue Impacts of Reduced Sales

Section 10632(g) of the Act requires an analysis of the impacts of each of the actions taken for conservation and water restriction on the revenues and expenditures of the water supplier. Because GSWC is an investor-owned water utility and, as such, is regulated by the CPUC, the CPUC authorizes it to establish memorandum accounts to track expenses and revenue shortfalls caused by both mandatory rationing and voluntary conservation efforts. Utilities with CPUC-approved water management plans are authorized to implement a surcharge to recover revenue shortfalls recorded in their drought memorandum accounts. Table 8-7 provides a summary of actions with associated revenue reductions; while Table 8-8 provides a summary of actions and conditions that impact expenditures. Table 8-9 summarizes the proposed measures to overcome revenue impacts. Table 8-10 provides a summary of the proposed measures to overcome expenditure impacts.

Table 8-7: Summary of Actions and Conditions that Impact Revenue

Type	Anticipated Revenue Reduction
Reduced sales	Reduction in revenue will be based on the decline in water sales and the corresponding quantity tariff rate
Recovery of revenues with CPUC-approved surcharge	Higher rates may result in further decline in water usage and further reduction in revenue

Table 8-8: Summary of Actions and Conditions that Impact Expenditures

Category	Anticipated Cost
Increased staff cost	Salaries and benefits for new hires required to administer and implement water shortage program
Increased O&M cost	Operating and maintenance costs associated with alternative sources of water supply
Increased cost of supply and treatment	Purchase and treatment costs of new water supply

Table 8-9: Proposed Measures to Overcome Revenue Impacts

Names of Measures	Summary of Effects
Obtain CPUC-approved surcharge	Allows for recovery of revenue shortfalls brought on by water shortage program
Penalties for excessive water use	Obtain CPUC approval to use penalties to offset portion of revenue shortfall

Table 8-10: Proposed Measures to Overcome Expenditure Impacts	
Names of Measures	**Summary of Effects**
Obtain CPUC-approved surcharge	Allows for recovery of increased expenditures brought on by water shortage program
Penalties for excessive water use	Obtain CPUC approval to use penalties to offset portion of increased expenditures

8.6 Water-Use Monitoring Procedures

The Act asks for an analysis of mechanisms for determining actual reduction in water use when the Water Shortage Contingency Plan is in effect. Table 8-11 lists the possible mechanisms used by GSWC to monitor water use and the quality of data expected.

Table 8-11: Water-Use Monitoring Mechanisms	
Mechanisms for Determining Actual Reductions	**Type and Quality of Data Expected**
Customer meter readings	Hourly/daily/monthly water consumption data for a specific user depending on frequency of readings
Production meter readings	Hourly/daily/monthly water production depending on frequency of readings; correlates to water use plus system losses

In addition to the specific actions that GSWC can undertake to verify level of conservation, GSWC can monitor long-term water use through regular bi-monthly meter readings, which give GSWC the ability to flag exceptionally high usage for verification of water loss or abuse.

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Chapter 9: References

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Appendix A

Urban Water Management Planning Act

CALIFORNIA WATER CODE DIVISION 6
PART 2.6. URBAN WATER MANAGEMENT PLANNING

All California Codes have been updated to include the 2010 Statutes.

WATER CODE
SECTION 10610-10610.4

10610. This part shall be known and may be cited as the "Urban Water Management Planning Act."

10610.2. (a) The Legislature finds and declares all of the following:

(1) The waters of the state are a limited and renewable resource subject to ever-increasing demands.

(2) The conservation and efficient use of urban water supplies are of statewide concern; however, the planning for that use and the implementation of those plans can best be accomplished at the local level.

(3) A long-term, reliable supply of water is essential to protect the productivity of California's businesses and economic climate.

(4) As part of its long-range planning activities, every urban water supplier should make every effort to ensure the appropriate level of reliability in its water service sufficient to meet the needs of its various categories of customers during normal, dry, and multiple dry water years.

(5) Public health issues have been raised over a number of contaminants that have been identified in certain local and imported water supplies.

(6) Implementing effective water management strategies, including groundwater storage projects and recycled water projects, may require specific water quality and salinity targets for meeting groundwater basins water quality objectives and promoting beneficial use of recycled water.

(7) Water quality regulations are becoming an increasingly important factor in water agencies' selection of raw water sources, treatment alternatives, and modifications to existing treatment facilities.

(8) Changes in drinking water quality standards may also impact the usefulness of water supplies and may ultimately impact supply reliability.

(9) The quality of source supplies can have a significant impact

on water management strategies and supply reliability.
(b) This part is intended to provide assistance to water agencies in carrying out their long-term resource planning responsibilities to ensure adequate water supplies to meet existing and future demands for water.

10610.4. The Legislature finds and declares that it is the policy of the state as follows:
(a) The management of urban water demands and efficient use of water shall be actively pursued to protect both the people of the state and their water resources.
(b) The management of urban water demands and efficient use of urban water supplies shall be a guiding criterion in public decisions.
(c) Urban water suppliers shall be required to develop water management plans to actively pursue the efficient use of available supplies.

WATER CODE
SECTION 10611-10617

10611. Unless the context otherwise requires, the definitions of this chapter govern the construction of this part.

10611.5. "Demand management" means those water conservation measures, programs, and incentives that prevent the waste of water and promote the reasonable and efficient use and reuse of available supplies.

10612. "Customer" means a purchaser of water from a water supplier who uses the water for municipal purposes, including residential, commercial, governmental, and industrial uses.

10613. "Efficient use" means those management measures that result in the most effective use of water so as to prevent its waste or unreasonable use or unreasonable method of use.

10614. "Person" means any individual, firm, association, organization, partnership, business, trust, corporation, company, public agency, or any agency of such an entity.

10615. "Plan" means an urban water management plan prepared pursuant to this part. A plan shall describe and evaluate sources of supply, reasonable and practical efficient uses, reclamation and demand management activities. The components of the plan may vary according to an individual community or area's characteristics and its capabilities to efficiently use and conserve water. The plan shall address measures for residential, commercial, governmental, and industrial water demand management as set forth in Article 2 (commencing with Section 10630) of Chapter 3. In addition, a strategy and time schedule for implementation shall be included in the plan.

10616. "Public agency" means any board, commission, county, city

and county, city, regional agency, district, or other public entity.

10616.5. "Recycled water" means the reclamation and reuse of wastewater for beneficial use.

10617. "Urban water supplier" means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. This part applies only to water supplied from public water systems subject to Chapter 4 (commencing with Section 116275) of Part 12 of Division 104 of the Health and Safety Code.

WATER CODE
SECTION 10620-10621

10620. (a) Every urban water supplier shall prepare and adopt an urban water management plan in the manner set forth in Article 3 (commencing with Section 10640).

(b) Every person that becomes an urban water supplier shall adopt an urban water management plan within one year after it has become an urban water supplier.

(c) An urban water supplier indirectly providing water shall not include planning elements in its water management plan as provided in Article 2 (commencing with Section 10630) that would be applicable to urban water suppliers or public agencies directly providing water, or to their customers, without the consent of those suppliers or public agencies.

(d) (1) An urban water supplier may satisfy the requirements of this part by participation in areawide, regional, watershed, or basinwide urban water management planning where those plans will reduce preparation costs and contribute to the achievement of conservation and efficient water use.

(2) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

(e) The urban water supplier may prepare the plan with its own staff, by contract, or in cooperation with other governmental agencies.

(f) An urban water supplier shall describe in the plan water management tools and options used by that entity that will maximize resources and minimize the need to import water from other regions.

10621. (a) Each urban water supplier shall update its plan at least once every five years on or before December 31, in years ending in five and zero.

(b) Every urban water supplier required to prepare a plan pursuant to this part shall, at least 60 days prior to the public hearing on the plan required by Section 10642, notify any city or county within which the supplier provides water supplies that the urban water

supplier will be reviewing the plan and considering amendments or changes to the plan. The urban water supplier may consult with, and obtain comments from, any city or county that receives notice pursuant to this subdivision.

(c) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10640).

WATER CODE
SECTION 10630-10634

10630. It is the intention of the Legislature, in enacting this part, to permit levels of water management planning commensurate with the numbers of customers served and the volume of water supplied.

10631. A plan shall be adopted in accordance with this chapter that shall do all of the following:

(a) Describe the service area of the supplier, including current and projected population, climate, and other demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available.

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a). If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

(1) A copy of any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management.

(2) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For those basins for which a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to eliminate the long-term overdraft condition.

(3) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(4) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(c) (1) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for each of the following:

(A) An average water year.

(B) A single dry water year.

(C) Multiple dry water years.

(2) For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to supplement or replace that source with alternative sources or water demand management measures, to the extent practicable.

(d) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

(e) (1) Quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, identifying the uses among water use sectors, including, but not necessarily limited to, all of the following uses:

(A) Single-family residential.

(B) Multifamily.

(C) Commercial.

(D) Industrial.

(E) Institutional and governmental.

(F) Landscape.

(G) Sales to other agencies.

(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

(I) Agricultural.

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

(f) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1) A description of each water demand management measure that is currently being implemented, or scheduled for implementation, including the steps necessary to implement any proposed measures, including, but not limited to, all of the following:

(A) Water survey programs for single-family residential and multifamily residential customers.

(B) Residential plumbing retrofit.

(C) System water audits, leak detection, and repair.

(D) Metering with commodity rates for all new connections and retrofit of existing connections.

(E) Large landscape conservation programs and incentives.

(F) High-efficiency washing machine rebate programs.

(G) Public information programs.

(H) School education programs.

(I) Conservation programs for commercial, industrial, and institutional accounts.

(J) Wholesale agency programs.
(K) Conservation pricing.
(L) Water conservation coordinator.
(M) Water waste prohibition.
(N) Residential ultra-low-flush toilet replacement programs.
(2) A schedule of implementation for all water demand management measures proposed or described in the plan.
(3) A description of the methods, if any, that the supplier will use to evaluate the effectiveness of water demand management measures implemented or described under the plan.
(4) An estimate, if available, of existing conservation savings on water use within the supplier's service area, and the effect of the savings on the supplier's ability to further reduce demand.
(g) An evaluation of each water demand management measure listed in paragraph (1) of subdivision (f) that is not currently being implemented or scheduled for implementation. In the course of the evaluation, first consideration shall be given to water demand management measures, or combination of measures, that offer lower incremental costs than expanded or additional water supplies. This evaluation shall do all of the following:
(1) Take into account economic and noneconomic factors, including environmental, social, health, customer impact, and technological factors.
(2) Include a cost-benefit analysis, identifying total benefits and total costs.
(3) Include a description of funding available to implement any planned water supply project that would provide water at a higher unit cost.
(4) Include a description of the water supplier's legal authority to implement the measure and efforts to work with other relevant agencies to ensure the implementation of the measure and to share the cost of implementation.
(h) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs, other than the demand management programs identified pursuant to paragraph (1) of subdivision (f), that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in average, single-dry, and multiple-dry water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.
(i) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.
(j) For purposes of this part, urban water suppliers that are members of the California Urban Water Conservation Council shall be deemed in compliance with the requirements of subdivisions (f) and (g) by complying with all the provisions of the "Memorandum of Understanding Regarding Urban Water Conservation in California,"

dated December 10, 2008, as it may be amended, and by submitting the annual reports required by Section 6.2 of that memorandum.

(k) Urban water suppliers that rely upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision (c). An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (c).

10631.1. (a) The water use projections required by Section 10631 shall include projected water use for single-family and multifamily residential housing needed for lower income households, as defined in Section 50079.5 of the Health and Safety Code, as identified in the housing element of any city, county, or city and county in the service area of the supplier.

(b) It is the intent of the Legislature that the identification of projected water use for single-family and multifamily residential housing for lower income households will assist a supplier in complying with the requirement under Section 65589.7 of the Government Code to grant a priority for the provision of service to housing units affordable to lower income households.

10631.5. (a) (1) Beginning January 1, 2009, the terms of, and eligibility for, a water management grant or loan made to an urban water supplier and awarded or administered by the department, state board, or California Bay-Delta Authority or its successor agency shall be conditioned on the implementation of the water demand management measures described in Section 10631, as determined by the department pursuant to subdivision (b).

(2) For the purposes of this section, water management grants and loans include funding for programs and projects for surface water or groundwater storage, recycling, desalination, water conservation, water supply reliability, and water supply augmentation. This section does not apply to water management projects funded by the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5).

(3) Notwithstanding paragraph (1), the department shall determine that an urban water supplier is eligible for a water management grant or loan even though the supplier is not implementing all of the water demand management measures described in Section 10631, if the urban water supplier has submitted to the department for approval a schedule, financing plan, and budget, to be included in the grant or loan agreement, for implementation of the water demand management measures. The supplier may request grant or loan funds to implement the water demand management measures to the extent the request is consistent with the eligibility requirements applicable to the water management funds.

(4) (A) Notwithstanding paragraph (1), the department shall

determine that an urban water supplier is eligible for a water management grant or loan even though the supplier is not implementing all of the water demand management measures described in Section 10631, if an urban water supplier submits to the department for approval documentation demonstrating that a water demand management measure is not locally cost effective. If the department determines that the documentation submitted by the urban water supplier fails to demonstrate that a water demand management measure is not locally cost effective, the department shall notify the urban water supplier and the agency administering the grant or loan program within 120 days that the documentation does not satisfy the requirements for an exemption, and include in that notification a detailed statement to support the determination.

(B) For purposes of this paragraph, "not locally cost effective" means that the present value of the local benefits of implementing a water demand management measure is less than the present value of the local costs of implementing that measure.

(b) (1) The department, in consultation with the state board and the California Bay-Delta Authority or its successor agency, and after soliciting public comment regarding eligibility requirements, shall develop eligibility requirements to implement the requirement of paragraph (1) of subdivision (a). In establishing these eligibility requirements, the department shall do both of the following:

(A) Consider the conservation measures described in the Memorandum of Understanding Regarding Urban Water Conservation in California, and alternative conservation approaches that provide equal or greater water savings.

(B) Recognize the different legal, technical, fiscal, and practical roles and responsibilities of wholesale water suppliers and retail water suppliers.

(2) (A) For the purposes of this section, the department shall determine whether an urban water supplier is implementing all of the water demand management measures described in Section 10631 based on either, or a combination, of the following:

(i) Compliance on an individual basis.

(ii) Compliance on a regional basis. Regional compliance shall require participation in a regional conservation program consisting of two or more urban water suppliers that achieves the level of conservation or water efficiency savings equivalent to the amount of conservation or savings achieved if each of the participating urban water suppliers implemented the water demand management measures. The urban water supplier administering the regional program shall provide participating urban water suppliers and the department with data to demonstrate that the regional program is consistent with this clause. The department shall review the data to determine whether the urban water suppliers in the regional program are meeting the eligibility requirements.

(B) The department may require additional information for any determination pursuant to this section.

(3) The department shall not deny eligibility to an urban water supplier in compliance with the requirements of this section that is participating in a multiagency water project, or an integrated regional water management plan, developed pursuant to Section 75026 of the Public Resources Code, solely on the basis that one or more of

the agencies participating in the project or plan is not implementing all of the water demand management measures described in Section 10631.

(c) In establishing guidelines pursuant to the specific funding authorization for any water management grant or loan program subject to this section, the agency administering the grant or loan program shall include in the guidelines the eligibility requirements developed by the department pursuant to subdivision (b).

(d) Upon receipt of a water management grant or loan application by an agency administering a grant and loan program subject to this section, the agency shall request an eligibility determination from the department with respect to the requirements of this section. The department shall respond to the request within 60 days of the request.

(e) The urban water supplier may submit to the department copies of its annual reports and other relevant documents to assist the department in determining whether the urban water supplier is implementing or scheduling the implementation of water demand management activities. In addition, for urban water suppliers that are signatories to the Memorandum of Understanding Regarding Urban Water Conservation in California and submit biennial reports to the California Urban Water Conservation Council in accordance with the memorandum, the department may use these reports to assist in tracking the implementation of water demand management measures.

(f) This section shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.

10631.7. The department, in consultation with the California Urban Water Conservation Council, shall convene an independent technical panel to provide information and recommendations to the department and the Legislature on new demand management measures, technologies, and approaches. The panel shall consist of no more than seven members, who shall be selected by the department to reflect a balanced representation of experts. The panel shall have at least one, but no more than two, representatives from each of the following: retail water suppliers, environmental organizations, the business community, wholesale water suppliers, and academia. The panel shall be convened by January 1, 2009, and shall report to the Legislature no later than January 1, 2010, and every five years thereafter. The department shall review the panel report and include in the final report to the Legislature the department's recommendations and comments regarding the panel process and the panel's recommendations.

10632. (a) The plan shall provide an urban water shortage contingency analysis that includes each of the following elements that are within the authority of the urban water supplier:

(1) Stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions that are applicable to each stage.

(2) An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic

sequence for the agency's water supply.

(3) Actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.

(4) Additional, mandatory prohibitions against specific water use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning.

(5) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply.

(6) Penalties or charges for excessive use, where applicable.

(7) An analysis of the impacts of each of the actions and conditions described in paragraphs (1) to (6), inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.

(8) A draft water shortage contingency resolution or ordinance.

(9) A mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.

(b) Commencing with the urban water management plan update due December 31, 2015, for purposes of developing the water shortage contingency analysis pursuant to subdivision (a), the urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.

10633. The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. The preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies that operate within the supplier's service area, and shall include all of the following:

(a) A description of the wastewater collection and treatment systems in the supplier's service area, including a quantification of the amount of wastewater collected and treated and the methods of wastewater disposal.

(b) A description of the quantity of treated wastewater that meets recycled water standards, is being discharged, and is otherwise available for use in a recycled water project.

(c) A description of the recycled water currently being used in the supplier's service area, including, but not limited to, the type, place, and quantity of use.

(d) A description and quantification of the potential uses of recycled water, including, but not limited to, agricultural irrigation, landscape irrigation, wildlife habitat enhancement, wetlands, industrial reuse, groundwater recharge, indirect potable reuse, and other appropriate uses, and a determination with regard to the technical and economic feasibility of serving those uses.

(e) The projected use of recycled water within the supplier's

service area at the end of 5, 10, 15, and 20 years, and a description of the actual use of recycled water in comparison to uses previously projected pursuant to this subdivision.

(f) A description of actions, including financial incentives, which may be taken to encourage the use of recycled water, and the projected results of these actions in terms of acre-feet of recycled water used per year.

(g) A plan for optimizing the use of recycled water in the supplier's service area, including actions to facilitate the installation of dual distribution systems, to promote recirculating uses, to facilitate the increased use of treated wastewater that meets recycled water standards, and to overcome any obstacles to achieving that increased use.

10634. The plan shall include information, to the extent practicable, relating to the quality of existing sources of water available to the supplier over the same five-year increments as described in subdivision (a) of Section 10631, and the manner in which water quality affects water management strategies and supply reliability.

WATER CODE SECTION 10635

10635. (a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and multiple dry water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

(b) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

(c) Nothing in this article is intended to create a right or entitlement to water service or any specific level of water service.

(d) Nothing in this article is intended to change existing law concerning an urban water supplier's obligation to provide water service to its existing customers or to any potential future customers.

WATER CODE
SECTION 10640-10645

10640. Every urban water supplier required to prepare a plan pursuant to this part shall prepare its plan pursuant to Article 2 (commencing with Section 10630).

The supplier shall likewise periodically review the plan as required by Section 10621, and any amendments or changes required as a result of that review shall be adopted pursuant to this article.

10641. An urban water supplier required to prepare a plan may consult with, and obtain comments from, any public agency or state agency or any person who has special expertise with respect to water demand management methods and techniques.

10642. Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of the plan. Prior to adopting a plan, the urban water supplier shall make the plan available for public inspection and shall hold a public hearing thereon. Prior to the hearing, notice of the time and place of hearing shall be published within the jurisdiction of the publicly owned water supplier pursuant to Section 6066 of the Government Code. The urban water supplier shall provide notice of the time and place of hearing to any city or county within which the supplier provides water supplies. A privately owned water supplier shall provide an equivalent notice within its service area. After the hearing, the plan shall be adopted as prepared or as modified after the hearing.

10643. An urban water supplier shall implement its plan adopted pursuant to this chapter in accordance with the schedule set forth in its plan.

10644. (a) An urban water supplier shall submit to the department, the California State Library, and any city or county within which the supplier provides water supplies a copy of its plan no later than 30 days after adoption. Copies of amendments or changes to the plans shall be submitted to the department, the California State Library, and any city or county within which the supplier provides water supplies within 30 days after adoption.

(b) The department shall prepare and submit to the Legislature, on or before December 31, in the years ending in six and one, a report summarizing the status of the plans adopted pursuant to this part. The report prepared by the department shall identify the exemplary elements of the individual plans. The department shall provide a copy of the report to each urban water supplier that has submitted its plan to the department. The department shall also prepare reports and provide data for any legislative hearings designed to consider the effectiveness of plans submitted pursuant to this part.

(c) (1) For the purpose of identifying the exemplary elements of the individual plans, the department shall identify in the report those water demand management measures adopted and implemented by specific urban water suppliers, and identified pursuant to Section

10631, that achieve water savings significantly above the levels established by the department to meet the requirements of Section 10631.5.

(2) The department shall distribute to the panel convened pursuant to Section 10631.7 the results achieved by the implementation of those water demand management measures described in paragraph (1).

(3) The department shall make available to the public the standard the department will use to identify exemplary water demand management measures.

10645. Not later than 30 days after filing a copy of its plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

WATER CODE
SECTION 10650-10656

10650. Any actions or proceedings to attack, review, set aside, void, or annul the acts or decisions of an urban water supplier on the grounds of noncompliance with this part shall be commenced as follows:

(a) An action or proceeding alleging failure to adopt a plan shall be commenced within 18 months after that adoption is required by this part.

(b) Any action or proceeding alleging that a plan, or action taken pursuant to the plan, does not comply with this part shall be commenced within 90 days after filing of the plan or amendment thereto pursuant to Section 10644 or the taking of that action.

10651. In any action or proceeding to attack, review, set aside, void, or annul a plan, or an action taken pursuant to the plan by an urban water supplier on the grounds of noncompliance with this part, the inquiry shall extend only to whether there was a prejudicial abuse of discretion. Abuse of discretion is established if the supplier has not proceeded in a manner required by law or if the action by the water supplier is not supported by substantial evidence.

10652. The California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) does not apply to the preparation and adoption of plans pursuant to this part or to the implementation of actions taken pursuant to Section 10632. Nothing in this part shall be interpreted as exempting from the California Environmental Quality Act any project that would significantly affect water supplies for fish and wildlife, or any project for implementation of the plan, other than projects implementing Section 10632, or any project for expanded or additional water supplies.

10653. The adoption of a plan shall satisfy any requirements of state law, regulation, or order, including those of the State Water Resources Control Board and the Public Utilities Commission, for the preparation of water management plans or conservation plans; provided, that if the State Water Resources Control Board or the Public Utilities Commission requires additional information concerning water conservation to implement its existing authority, nothing in this part shall be deemed to limit the board or the commission in obtaining that information. The requirements of this part shall be satisfied by any urban water demand management plan prepared to meet federal laws or regulations after the effective date of this part, and which substantially meets the requirements of this part, or by any existing urban water management plan which includes the contents of a plan required under this part.

10654. An urban water supplier may recover in its rates the costs incurred in preparing its plan and implementing the reasonable water conservation measures included in the plan. Any best water management practice that is included in the plan that is identified in the

"Memorandum of Understanding Regarding Urban Water Conservation in California" is deemed to be reasonable for the purposes of this section.

10655. If any provision of this part or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of this part which can be given effect without the invalid provision or application thereof, and to this end the provisions of this part are severable.

10656. An urban water supplier that does not prepare, adopt, and submit its urban water management plan to the department in accordance with this part, is ineligible to receive funding pursuant to Division 24 (commencing with Section 78500) or Division 26 (commencing with Section 79000), or receive drought assistance from the state until the urban water management plan is submitted pursuant to this article.

Appendix B

Public Hearing Notices, Notifications, and Meeting Minutes

Golden State
Water Company
A Subsidiary of American States Water Company

Notice of Public Hearing

In conformance with the California Urban Water Management Planning Act, Golden State Water Company is hosting a public hearing on August 11, from 6 p.m. to 7 p.m. at the Joe Nightingale School, 255 Winter Road, Santa Maria, to solicit comments on the Urban Water Management Plan (UWMP) for the company's Orcutt Water System.

GSWC's Orcutt Water System serves customers in portions of Santa Maria and the unincorporated township of Orcutt.

The UWMP is available for public review one week prior to the public hearing and can be reviewed during normal business hours. Please call 1-800-999-4033 to make an appointment to view the plan at the following location:

Santa Maria Customer Service Office
2330 A Street, #A
Santa Maria, CA 93455

For more information, visit www.gswater.com.

June 8, 2011

County of Santa Barbara
Robert Braitman
Executive Officer
105 E. Anapamu, Room 406
Santa Barbara, CA 93101

Subject: Notification of Public Hearing for the 2010 Urban Water Management Plan (UWMP)
Golden State Water Company – Orcutt Water Systems.

Dear Robert:

Golden State Water Company (GSWC) is providing you this notice pursuant to Water Code, section 10621, subdivision (b) of the Act, which requires an urban water supplier to notify any city or county within which it provides water that it is reviewing its plan and considering changes to the plan for the following water systems: Orcutt

The UWMP's will be available for public review prior to the public hearing and can be reviewed during normal business hours. Please call 1-800-999-4033 to make an appointment to view the plan at:

Santa Maria Customer Service Office
2330 A Street, Suite A
Santa Maria, CA 93455

A public hearing to solicit comments on the draft UWMP will be held at 6:00 p.m., on Thursday, August 11, 2011 and take place at:

Joe Nightingale School
255 Winter Road
Santa Maria, CA

If you have any questions please contact me at (916) 853-3612.

Very truly yours,
GOLDEN STATE WATER COMPANY

Ernie Gisler
Planning Manager

June 8, 2011

County of Santa Barbara
Glenn Russel
Director Planning and Development
123 East Anapamu
Santa Barbara, CA 93101

Subject: Notification of Public Hearing for the 2010 Urban Water Management Plan (UWMP)
Golden State Water Company – Orcutt Water Systems.

Dear Glenn:

Golden State Water Company (GSWC) is providing you this notice pursuant to Water Code, section 10621, subdivision (b) of the Act, which requires an urban water supplier to notify any city or county within which it provides water that it is reviewing its plan and considering changes to the plan for the following water systems: Orcutt

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Santa Maria, CA

If you have any questions please contact me at (916) 853-3612.

Very truly yours,
GOLDEN STATE WATER COMPANY

Ernie Gisler
Planning Manager

PROOF OF PUBLICATION
(2015.5 C.C.P.)

STATE OF CALIFORNIA.

SANTA MARIA TIMES

ELWYN JOHNSON
CALIFORNIA NEWSPAPER SERVICE- LEGALS
PO BOX 60460
LOS ANGELES, CA 90060

REFERENCE: 09111393
00171673 2113947

I AM THE PRINCIPAL CLERK OF THE PRINTER OF THE SANTA MARIA TIMES, NEWSPAPER OF GENERAL CIRCULATION, PRINTED AND PUBLISHED IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, AND WHICH NEWSPAPER HAS BEEN ADJUDGED A NEWSPAPER OF GENERAL CIRCULATION BY THE SUPERIOR COURT OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ADJUDICATION #463687.

THAT THE NOTICE OF WHICH THE ANNEXED IS A PRINTED COPY (SET IN TYPE NOT SMALLER THAT NONPAREIL), HAS BEEN PUBLISHED IN EACH REGULAR AND ENTIRE ISSUE OF SAID NEWSPAPER AND NOT IN ANY SUPPLEMENT THEREOF ON THE FOLLOWING DATES, TO-WIT:

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURE THAT THE FOREGOING IS TRUE AND CORRECT.

PUBLISHED ON: 06/08/11

TOTAL AD COST: 135.97

FILED ON: 06/03/2011

DATED AT SANTA MARIA, CA, THIS 8th DAY OF June, 20 11

Elena Adamuck

SIGNATURE

A00000223421 3

Notice of Public Hearing

In conformance with the California Urban Water Management Planning Act, Golden State Water Company is hosting a public hearing on August 11, from 6 p.m. to 7 p.m. at the Joe Nightingale School, 255 Winter Road, Santa Maria, to solicit comments on the Urban Water Management Plan (UWMP) for the company's Orcutt
Water System.

GSWC's Orcutt Water System serves customers in portions of Santa Maria and the unincorporated township of Orcutt.

The UWMP is available for public review one week prior to the public hearing and can be reviewed during normal business hours. Please call 1-800-999-4033 to make an appointment to view the plan at the following location:

Santa Maria Customer Service Office
2330 A Street, #A
Santa Maria, CA 93455

For more information, visit www.gswater.com.
Legal #171673 Pub date: June 8, 2011

PROOF OF PUBLICATION
(2015.5 C.C.P.)

STATE OF CALIFORNIA.

SANTA MARIA TIMES

ELWYN JOHNSON
CALIFORNIA NEWSPAPER SERVICE- LEGALS
PO BOX 60460
LOS ANGELES, CA 90060

REFERENCE: 09111393
00172228 2121496 #3

I AM THE PRINCIPAL CLERK OF THE PRINTER OF THE SANTA MARIA TIMES, NEWSPAPER OF GENERAL CIRCULATION, PRINTED AND PUBLISHED IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, AND WHICH NEWSPAPER HAS BEEN ADJUDGED A NEWSPAPER OF GENERAL CIRCULATION BY THE SUPERIOR COURT OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ADJUDICATION #463687.

THAT THE NOTICE OF WHICH THE ANNEXED IS A PRINTED COPY (SET IN TYPE NOT SMALLER THAT NONPAREIL), HAS BEEN PUBLISHED IN EACH REGULAR AND ENTIRE ISSUE OF SAID NEWSPAPER AND NOT IN ANY SUPPLEMENT THEREOF ON THE FOLLOWING DATES, TO-WIT:

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURE THAT THE FOREGOING IS TRUE AND CORRECT.

PUBLISHED ON: 06/22/11

TOTAL AD COST: 135.97

FILED ON: 06/15/2011

DATED AT SANTA MARIA, CA, THIS 22nd DAY OF June, 20 11

Teresa alamillo

SIGNATURE

A00000224327 6

Notice of Public Hearing

In conformance with the California Urban Water Management Planning Act, Golden State Water Company is hosting a public hearing on August 11, from 6 p.m. to 7 p.m. at the Joe Nightingale School, 255 Winter Road, Santa Maria, to solicit comments on the Urban Water Management Plan (UWMP) for the company's Orcutt Water System.

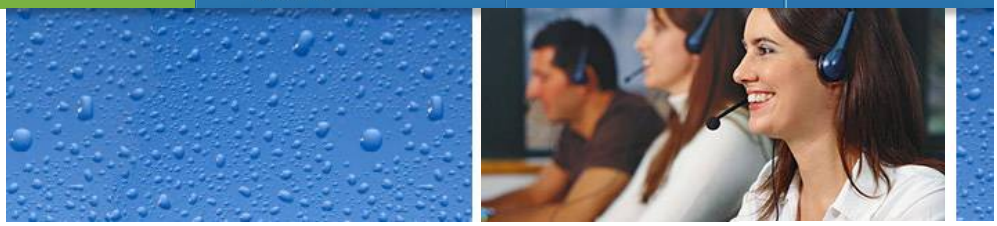
GSWC's Orcutt Water System serves customers in portions of Santa Maria and the unincorporated township of Orcutt.

The UWMP is available for public review one week prior to the public hearing and can be reviewed during normal business hours. Please call 1-800-999-4033 to make an appointment to view the plan at the following location:

Santa Maria Customer Service Office
2330 A Street, #A
Santa Maria, CA 93455

For more information, visit www.gswater.com.
Legal #172228 Pub date: June 22, 2011

Golden State Water Company
A Subsidiary of American States Water Company



Customer Service Home Page
Find Local Office Information
Payment Options
Understanding Your Bill
How to Read Your Meter
Definitions and Terminology
Frequently Asked Questions
New Customer Brochure

For 24-hour customer service or emergency please call

1-800-999-4033
24 hours, 7 days a week

877-933-9533
TTY (hearing impaired)

Find Local Office Information » Santa Maria

Santa Maria Customer Service Area

Areas Serviced
The Santa Maria Customer Service Area serves approximately 13,200 customers in Santa Maria, Nipomo, Orcutt, Sisquoc, and surrounding areas

Office Location
Santa Maria CSA
2330 A Street, Suite A
Santa Maria, Ca 93455

24 hour Customer Service and Emergency
800-999-4033 (24 hours, 7 days a week)
877-933-9533 (TTY hearing impaired)
Email: customerservice@gswater.com

WATER CONSERVATION TIPS

Don't water your lawn on windy days. There is too much evaporation. This can waste up to 300 gallons in one watering.

Urban Water Management Plan Public Meeting Notice

Golden State Water Company is in the process of updating its existing Urban Water Management Plan and is seeking public input. The plan is expected to be available for review one week prior to the meeting date.

See public notice for more information.

Notice of Potential Settlement

Golden State Water Company (GSWC) is notifying customers in its Region I, which includes the Santa Maria Customer Service Area, about a potential settlement conference with the California Public Utility Commission's Division of Water & Audits. See more information here.

GSWC Files a Cost of Capital Application

A Cost of Capital application was filed May 2, 2011 with the the California Public Utilities Commission (CPUC). The CPUC regulates GSWC to ensure adequate levels of service are provided at the lowest reasonable costs.

In this filing, GSWC is requesting for the CPUC to review and authorize an increase in the cost of capital reflected in rates for 2012, 2013, and 2014. A decision is expected in December 2011.

A copy of the application is here.

New Rates Established in Santa Maria Customer Service Area for 2011 and 2012

The CPUC approved a final decision on the company's 2010 General Rate Case (GRC) on Dec. 16, 2010. The decision established rates for GSWC to charge customers for 2011 and 2012 in its Santa Maria Customer Service Area.

Fact Sheet

RATES, SCHEDULES & TARIFFS

Residential Metered Service
Non-Residential Metered Service

CLICK HERE to view all our rates, tariffs and advice letters

Tiered Rates Encourage Water Use Efficiency for Golden State Water Company Customers in Santa Maria

GSWC residential customers in the utility's Santa Maria Customer Service Area have tiered rates to promote water use efficiency. The change, approved by the California Public Utilities Commission, went into effect on Sept. 1, 2009. GSWC will not exceed CPUC authorized revenues as a result of tiered rates.

"Tiered rates will encourage customers to save water by giving them extra financial incentive to use less," said GSWC Coastal District Manager Ken Petersen.

Here's how tiered rates work. Customers get charged for each unit of water they use. A unit is equal to one hundred cubic feet of water, or Ccf (748 gallons). In Santa Maria, residential customers will pay the lowest rate for each Ccf they use in tier one, up to 15 Ccf. For every unit of water used in tier two, which is 16-27 Ccf, customers will pay a 15 percent higher rate. In tier three, customers will pay an additional 15 percent for every unit of water from 28 Ccf and above.

The top of the first tier is based on the average winter month usage for the service area. The top of second tier is based on the midpoint between the annual average usage and the average summer month usage for the service area. The per unit price differential between each tier is approximately 15 percent, a sufficient amount to encourage water use efficiency.

For more information, see our Residential Metered Service tariff in the article above.

LOW INCOME PROGRAM
California Alternate Rates for Water (CARW)

You may qualify for a discount on your water bill. Qualified participants receive a $6 discount per month for metered service in Santa Maria, which is approximately a 15 percent discount for a customer who uses 15 Ccf (11,220 gallons).

The California Public Utility Commission's Division of Ratepayer Advocates and GSWC agreed the monthly CARW credits for qualifying customers be equal to a 15 percent discount for a customer who uses 15 Ccf of water in each of the Customer Service Areas.

Qualifications are based on the number of people living in your home and your total household income, including wages, government checks and benefits, and other financial support you and members of your family receive.

For further information, please review the application below or contact our CARW hotline at (866) 360-CARW (2279).

Application (English)
Application (Spanish)

Water Conservation Rebate Programs
NEW! Increased Rebate Amounts for Water-Saving Devices

Golden State Water Company (GSWC) customers in the Santa Maria Customer Service Area have a golden opportunity to take advantage of rebate programs to help them save money on their purchase of new water-saving appliances. Check out these programs now since funding is limited.

GSWC Rebates

We've increased the rebate amounts for high-efficiency toilets and high-efficiency clothes washers – up to $125 for each water-saving device!

High-Efficiency Clothes Washers (HECWs). Please call our customer service center at 1-800-999-4033 to confirm the availability of the rebates, and then complete the Rebate Application.

High-Efficiency Toilets (HETs). Please call our customer service center at 1-800-999-4033 to confirm the availability of the rebates, and then complete the Rebate Application.

To learn more about our current rebate programs, please call customer service at 800-999-4033.

WATER QUALITY ANNUAL REPORT

Lake Marie
Nipomo
Orcutt
Sisquoc
Tanglewood

For 24-hour emergency and customer service, please call: 1-800-999-4033 or 877-933-9533 TTY (hearing impaired)
customerservice@gswater.com

Website design by NetPilot Web Solutions

No Meeting Minutes were taken since there was no attendance by the public.

Appendix C

Council Annual Reports for Demand Management Measures

CUWCC BMP RETAIL COVERAGE REPORT 2009-2010

Foundation Best Management Practices for Urban Water Efficiency

Agency: Golden State Water Company **District Name:** Santa Maria **CUWCC Unit #:** 5037
Retail

Primary Contact John Turner **Telephone** (805) 349-7407 Ext **Email:** johnturner@gswater.com

Compliance Option Chosen By Reporting Agency:
(Traditional, Flex Track or GPCD)
GPCD if used:

GPCD in 2010	**244**
GPCD Target for 2018	215

Year	Report	Target		Highest Acceptable Bound	
		% Base	GPCD	% Base	GPCD
2010	1	96.4%	252	100%	262
2012	2	92.8%	243	96%	252
2014	3	89.2%	234	93%	243
2016	4	85.6%	224	89%	234
2018	5	82.0%	215	82%	215

Not on Track if 2010 GPCD is > than target

GPCD in 2010	244
Highest Acceptable GPCD for 2010	262

On Track

Agency: **Golden State Water Company** District Name: **Santa Maria** CUWCC Unit #: **5037**
Retail

CUWCC BMP RETAIL COVERAGE REPORT 2009-2010

Foundation Best Management Practices for Urban Water Efficiency

Foundational BMPs

BMP 1.1 Operational Practices

		2009	2010	
1.Conservation Coordinator provided with necessary resources to implement BMPs?	Name	John Turner	John Turner	Conservation Coordinator provided with necessary resources to implement BMPs?
	Title	WaterConservation Coordinator	Water Conservation Coordinator	
	Email		JohnTurner@gsw	
		On Track	**On Track**	
2. Water waste prevention documentation				
	Descriptive File	Rule 20 = Water Conservation.		
	Descriptive File 2010		Rule 20 = Water Conservation. Rule 11B = Discontinuance of Service based upon Water Wastage. Rule 14.1 can be implemented when	On Track if any one of the 6 ordinance actions done, plus documentation or links provided
	URL	Where negligent or wasteful use of water exists on customer's		
	URL 2010		http://www.aswater.com/Organization/Rates_and_Regulations/Rates_and_	
	Describe Ordinance Terms	Where negligent or wasteful use of water exists on customer's		
	Describe Ordinance Terms 2010		Where negligent or wasteful use of water exists on customer's premises, the utility may discontinue the service if such practices are not remedied	
		On Track	**On Track**	

Agency: **Golden State Water Company** District Name: **Santa Maria** CUWCC Unit #: **5037**
Retail

CUWCC BMP RETAIL COVERAGE REPORT 2009-2010

Foundation Best Management Practices for Urban Water Efficiency

BMP 1.2 Water Loss Control

	2009		
Complete a prescreening Audit	Yes	On Track	On Track if Yes
Metered Sales	9,193		
Verifiable Other Uses	56		
Total Supply	10,013		
(Metered Sales + System uses)/ Total Supply >0.89	0.92	On Track	On Track if =>.89, Not on Track if No
If ratio is less than 0.9, complete a full scale Audit in 2009?	No		On Track if Yes
Verify Data with Records on File?	Yes	On Track	On Track if Yes
Operate a system Leak Detection Program?	Yes	On Track	On Track if Yes

	2010		
Compile Standard Water Audit using AWWA Software?	Yes	On Track	On Track if Yes, Not on Track if No
AWWA file provided to CUWCC?	AWWA Water Audit sent to CUWCC	On Track	On Track if Yes, Not on Track if No
AWWA Water Audit Validity Score?	80		Info only until 2012
Completed Training in AWWA Audit Method?	yes		
Completed Training in Component Analysis Process?	No		Info only until 2012
Complete Component Analysis?	No		Info only until 2012
Repaired all leaks and breaks to the extent cost effective?	Yes	On Track	On Track if Yes, Not on Track if No
Locate and repair unreported leaks to the extent cost effective.	Yes	On Track	On Track if Yes, Not on Track if No
Maintain a record-keeping system for the repair of reported leaks, including time of report, leak location, type of leaking pipe segment or fitting, and leak running time from report to repair.			Info only until 2012

Provided 7 types of Water Loss Control Info

Leaks Repaired	Value Real Losses	Value Apparent Losses	Miles Surveyed	Press Reduction	Cost of Interventions	Water Saved
226	$ 912	$ 912	8.36	0	$ -	9.1

Info only until 2012

Agency: **Golden State Water Company** District Name: **Santa Maria** CUWCC Unit #: **5037**
Retail

CUWCC BMP RETAIL COVERAGE REPORT 2009-2010

Foundation Best Management Practices for Urban Water Efficiency

1.3 METERING WITH COMMODITY RATES FOR ALL NEW CONNECTIONS AND RETROFIT OF EXISTING CONNECTIONS

If signed MOU prior to 31 Dec 1997, On Track if all connections metered; If signed after 31 Dec 1997, complete meter installations by 1 July 2012 or within 6 yrs of signing and 20% biannual reduction of unmetered connections.

		2009		2010		
Exemption or 'At least as Effective As' accepted by CUWCC						
Numbered Unmetered Accounts	2008	0	On Track	0	On Track	On Track if no unmetered accounts
Metered Accounts billed by volume of use		Yes	On Track	Yes	On Track	Volumetric billing required for all connections on same schedule as metering
Number of CII accounts with Mixed Use meters		67		67		Info only
Conducted a feasibility study to assess merits of a program to provide incentives to switch mixed-use accounts to dedicated landscape meters?		No	On Track until 2012	No	On Track until 2012	Info only until 2012
Feasibility Study provided to CUWCC?		No	On Track 2012	No	On Track until 2012	On Track if Yes, Not on Track if No
Completed a written plan, policy or program to test, repair and replace meters		Yes	On Track	Yes	On Track	On Track if Yes, Not on Track if No

CUWCC BMP RETAIL COVERAGE REPORT 2009-2010

Foundation Best Management Practices for Urban Water Efficiency

Agency: Golden State Water Company **District Name:** Santa Maria **CUWCC Unit #:** 5037
Retail

Primary Contact John Turner **Email:** johnturner@gswater.com

1.4 Retail Conservation Pricing

On Track if: Increasing Block, Uniform, Allocation, Standby Service; Not on Track if otherwise

Metered Water Rate Structure

Customer Class	2009 Rate Type	Conserving Rate?	Customer Class	2010 Rate Type	Conserving Rate?
Single-Family	Increasing Block	Yes	Single-Family	Increasing Block	Yes
Multi-Family	Increasing Block	Yes	Multi-Family	Increasing Block	Yes
Commercial	Uniform	Yes	Commercial	Uniform	Yes
Industrial	Uniform	Yes	Industrial	Uniform	Yes
Institutional	Uniform	Yes	Institutional	Uniform	Yes
	On Track			On Track	

Year Volumetric Rates began for Agencies with some Unmetered Accounts

Info only

Agencies with Partially Metered Service Areas: If signed MOU prior to 31 Dec. 1997, implementation starts no later than 1July 2010. If signed MOU after 31 Dec. 1997, implementation starts no later than 1July 2013, or within seven years of signing the MOU,

Agency: **Golden State Water Company** District Name: **Santa Maria** CUWCC Unit #: **5037**
Retail

CUWCC BMP RETAIL COVERAGE REPORT 2009-2010

Foundation Best Management Practices for Urban Water Efficiency

Adequacy of Volumetric Rates) for Agencies with No Unmetered Accounts

Customer Class	2009 Rate Type	2009 Volumetric Revenues $1000s	2010 Rate Type	2010 Volumetric Revenues $1000s
Single-Family	Increasing Block	$ 5,449	Single-Family	$ 5,432
Multi-Family	Increasing Block	$ 55	Multi-Family	$ 55
Commercial	Uniform	$ 716	Commercial	$ 714
Industrial	Uniform	$ 1	Industrial	$ 1
Institutional	Uniform	$ 115	Institutional	$ 114
Dedicated Irrigation		$ 219		$ 218
Other		$ -		$ -
Total Revenue Commodity Charges (V):		$ 6,554		$ 6,534
Total Revenue Fixed Charges (M):		$ 3,192		$ 3,192
Calculate: V / (V + M):		67%		67%
		Info Only untill 2011		Info Only untill 2011

Agency Choices for rates:

A) Agencies signing MOU prior to 13 June2007, implementation starts 1 July2007: On Track if (V / (V + M) ≥ 70% x .8 = **56% for 2009** and 70%x0.90 = **63% for 2010**; Not on track if (V / (V + M)) < 70%;

B) Use Canadian model. Agencies signing MOU after 13June2007, implementation starts July 1 of year following signing.

Canadian Water & Wastewater Rate Design Model Used and Provided to CUWCC	**No**	**No**
If Canadian Model is used, was 1 year or 3 year period applied?	Info Only untill 2011	Info Only untill 2011

Wastewater Rates

	2009		2010
Does Agency Provide Sewer Service?	**No**	If 'No', then wastewater rate info not required.	**No**

Customer Class	2009 Rate Type	Conserving Rate?	Customer Class	2010 Rate Type	Conserving Rate?
		Yes			Yes
		Yes			Yes
		Yes			Yes
		Yes			Yes
		Yes			Yes
		Yes			Yes
		Yes			Yes
		On Track			On Track

On Track if: 'Increasing Block', 'Uniform', 'based on long term marginal cost' or 'next unit of capacity'

CUWCC BMP RETAIL COVERAGE REPORT 2009-2010

Foundation Best Management Practices for Urban Water Efficiency

BMP 2. EDUCATION PROGRAMS

BMP 2.1 Public Outreach Actions Implemented and Reported to CUWCC

	2009	2010	
Does a wholesale agency implement Public Outrach Programs for this unility's benefit?	No	**No**	Yes/No
1) Contacts with the public (minimum = 4 times per year)	5	5	
2) Water supplier contacts with media (minimum = 4 times per year, i.e., at least quarterly).	4	4	
3) An actively maintained website that is updated regularly (minimum = 4 times per year, i.e., at least quarterly).	Yes	Yes	All 6 action types implemented and reported to CUWCC to be 'On Track')
4) Description of materials used to meet minimum requirement.	Articles or stories resulting from outreach News Releases	Articles or stories resulting from outreach News Releases	
5) Annual budget for public outreach program.	$ 200	$ 200	
6) Description of all other outreach programs	Description is too large for text area. Data will be stored in the BMP Reporting database when online.	Description is too large for text area. Data will be stored in the BMP Reporting database when online.	
	On Track	**On Track**	

CUWCC BMP RETAIL COVERAGE REPORT 2009-2010

Foundation Best Management Practices for Urban Water Efficiency

2.2 School Education Programs Implemented and Reported to CUWCC

	2009	2010	
Does a wholesale agency implement School Education Programs for this unility's benefit?	No	No	
Name of Wholesale Supplier?	NO WHOLESALE PROGRAM... All information below is GSWC funded as Retailer.	NO WHOLESALE PROGRAM... All information below is GSWC funded as Retailer.	
2) Materials meet state education framework requirements and are grade-level appropriate?	No	No	All 5 actions types implemented and reported to CUWCC to be 'On
3) Materials Distributed to K-6?	Yes	Yes	
Describe K-6 Materials	Full description will be provided online in the BMP reporting web application when available.	Full description will be provided online in the BMP reporting web application when available.	Describe materials to meet minimum requirements
Materials distributed to 7-12 students?	No	No	Info Only
4) Annual budget for school education program.	$ 23,720	$ 23,720	
	Not On Track	Not On Track	

Appendix D

CPUC Water Conservation and Rationing Rules and Regulations

Rule No. 11

DISCONTINUANCE AND RESTORATION OF SERVICE

A. Customer's Request for Discontinuance of Service

1. A customer may have service discontinued by giving not less than two day's advance notice thereof to the utility. Charges for service may be required to be paid until the requested date of discontinuance or such later date as will provide not less than the required two days' advance notice.

2. When such notice is not given, the customer will be required to pay for service until two days after the utility has knowledge that the customer has vacated the premises or otherwise has discontinued water service.

B. Discontinuance of Service by Utility

1. For Nonpayment of Bills

a. Past-Due Bills. When bills are rendered monthly or bimonthly, they will be considered past due if not paid within 19 days from the date of mailing. The utility shall allow every residential customer at least 19 days from the date of mailing its bill for services, postage prepaid, to make payment of the bill. The utility may not discontinue residential service for nonpayment of a delinquent account unless the utility first gives notice of the delinquency and impeding discontinuance, at least 10 days prior to the proposed discontinuance, by means of a notice mailed, postage prepaid, to the customer to whom the service is provided if different than to whom the service is billed, not earlier than 19 days from the date of mailing the utility's bill for services. The 10-day discontinuance of service notice shall not commence until five days after the mailing of the notice. (T)

b. When a bill for water service has become past due and a 10-day discontinuance of residential service notice or a 7-day discontinuance of residential service notice for nonpayment has been issued, service may be discontinued if bill is not paid within the time required by such notice. The customer's service, however, will not be discontinued for nonpayment until the amount of any deposit made to establish credit for that service has been fully absorbed.

(Continued)

Rule No. 11

DISCONTINUANCE AND RESTORATION OF SERVICE
(Continued)

B. Discontinuance of Services by Utility (Continued)

1. For Nonpayment of Bills (Continued)

c. Any customer, residential as well as nonresidential, who has initiated a billing complaint or requested an investigation within 5 days of receiving a disputed bill or who has, before discontinuance of service made a request for extension of the payment period of a bill asserted to be beyond the means of the customer to pay in full within the normal period for payment, shall not have residential water service discontinued for nonpayment during the pendency of an investigation by the utility of such customer complaint or request and shall be given an opportunity for review of the complaint, investigation, or request by a review manager of the utility. The review shall include consideration of whether a residential customer shall be permitted to make installment payments on any unpaid balance of the delinquent account over a reasonable period of time, not to exceed 12 months. Such service shall not be discontinued for nonpayment for any customer complying with an installment payment agreement entered into with the utility, provided the customer also keeps current his account for water service as charges accrue in each subsequent billing period. If a residential customer fails to comply with an installment payment agreement, the utility will give a 10-day discontinuance of service notice before discontinuing such service, but such notice shall not entitle the customer to further investigation by the utility.

d. Any customer whose complaint or request for an investigation pursuant to subdivision (c) has resulted in an adverse determination by the utility may appeal the determination to the Commission. Any subsequent appeal of the dispute or complaint to the Commission shall be in accordance with the Commission adopted Rules of Practice and Procedure.

e. Service to a residential water customer will not be discontinued for nonpayment when the customer has previously established to the satisfaction of the utility that:

(Continued)

Rule No. 11

DISCONTINUANCE AND RESTORATION OF SERVICE
(Continued)

B. Discontinuance of Services by Utility (Continued)

1. For Nonpayment of Bills (Continued)

e. (Continued)

(1) The customer is elderly (age 62 or over) or handicapped,* or upon certification of a licensed physical or surgeon that to discontinue water will be life threatening to the customer; and

*Proof of age must be supported by certificate of birth, driver's license, passport or other reliable document. Proof of handicap must be by certification from a licensed physician, surgeon, public health nurse or social worker.

(2) The customer is temporarily unable to pay for such service in accordance with the provisions of the utility's tariffs; and

(3) The customer is willing to arrange installment payments satisfactory to the utility, over a period not to exceed 12 months, including arrangements for prompt payment of subsequent bills.

However, service may be discontinued to any customer who does not comply with an installment payment agreement or keep current his account for water service as charges accrue in each subsequent billing period.

(f) A customer's residential service may be discontinued for nonpayment of a bill for residential service previously rendered him at any location served by the utility.

A nonresidential service may be discontinued for nonpayment of a bill for residential as well as nonresidential service previously rendered him at any location served by the utility.

The discontinuance of service notice as set forth in subdivision (b) will be given in both cases stated above before discontinuance of service takes place.

(Continued)

Rule No. 11

DISCONTINUANCE AND RESTORATION OF SERVICE
(Continued)

B. Discontinuance of Services by Utility (Continued)

1. For Nonpayment of Bills (Continued)

f. (Continued)

Residential services will not, however, be discontinued for nonpayment of bills for separate nonresidential service.

g. Service will not be discontinued by reason of delinquency in payment for service on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the utility are not open to the public.

h. Where water service is provided to residential users in a multi-unit residential structure, mobilehome park, or permanent residential structures in a labor camp, where the owner, manager, or operator is listed by the utility as the customer of record, the utility will make every good faith effort to inform the users, when the account is in arrears, that service will be dicontinued. Notice will be in as prescribed in subdivision (a) above, and in Rules Nos. 5 and 8. (T)

(T)

(1) Where said users are individually metered. (N)

The utility is not required to make service available to these users unless each user agrees to the terms and conditions of service and meets the requirement of the law and the utility's rules and tariffs. However, if one or more users are willing and able to assume responsibility for subsequent charges by these users to the account to the satisfaction of the utility, and if there is a practical physical means, legally available to the utility of selectively providing services to these users who have met the requirements of the utility's rules and tariffs, the utility will make service available to these users. For these selected users establishment of credit will be as prescribed in Rule No. 6, except that where prior service for a period of time is a condition for establishing credit with the utility, proof that is acceptable to the utility of residence and prompt payment of rent or other credit obligation during that period of time is a satisfactory equivalent.

(N)

(Continued)

Rule No. 11

DISCONTINUANCE AND RESTORATION OF SERVICE
(Continued)

B. Discontinuance of Services by Utility (Continued)

1. For Nonpayment of Bills (Continued)

h. (Continued)

(2) Where said users are master metered. (N)

The utility is not required to make service available to these users unless each user agrees to the terms and conditions of service, and meets the requirements of the law and the utility's rules and tariffs and the following:

The same Rule 11, item B.1.h. (1) above which applies to individually metered users also applies to master metered users, except a representative may act on the behalf of a master metered user, and the utility will not discontinue service in any of the following situations:

(a) During the pendency of an investigation by the utility of a master-meter customer dispute or complaint.

(b) When the master-metered customer has been granted an extension of the period for repayment of a bill.

(c) For an indebtedness owned by the master metered customer to any other person or corporation or when the obligation represented by the delinquent account or any other indebtedness was incurred with a person or corporation other than the utility demanding payment therefor.

(d) When a delinquent account relates to another property owned, managed, or operated by the master-metered customer.

(e) When a public health or building officer certifies that determination would result in a significant threat to the health or safety of the residential occupants or the public. Proof of age or handicap are described in Rule 11.B.1.e. (N)

(Continued)

Rule No. 11

DISCONTINUANCE AND RESTORATION OF SERVICE
(Continued)

B. Discontinuance of Services by Utility (Continued)

1. For Nonpayment of Bills (Continued)

i. A reasonable attempt must be made by the utility to personally contact an adult person on the residential customer's premises either by telephone, or in person, at hours prior to discontinuance. For elderly or handicapped residential customers, the utility shall provide at least 48 hours' notice by telephone or in person. For these customers, if telephone or personal contact cannot be made, a notice of discontinuance of service shall be posted in a conspicuous location at the service address at least 48 hours prior to discontinuance. Such notice shall be independent of and in addition to, other notices(s) as may be prescribed in the utility's tariffs. (C) (N) (N) (N)

j. Residential Customer's Remedies Upon Receipt of Discontinuance Notice.

(1) If upon receipt of a 10 day discontinuance notice, a residential customer is unable to pay, he must contact the utility before discontinuance of service to make payment arrangements to avoid discontinuance of service.

(2) If, after contacting the utility, the residential customer alleges to the Commission an inability to pay and that he is unable to make payment arrangements with the utility he should write to the Commission's Consumer Affairs Branch (CAB) to make an informal complaint. This action must be taken within the 10-day discontinuance of service notice.

(3) The CAB's resolution of the matter will be reported to the utility and the residential customer within ten business days after receipt of the informal complaint. If the customer is not satisfied with such resolution, he must file, within ten business days after the date of the CAB's letter, a formal complaint with the Commission under Public Utilities Code Section 1702 on a form provided by the CAB.

(Continued)

Rule No. 11

DISCONTINUANCE AND RESTORATION OF SERVICE
(Continued)

B. Discontinuance of Services by Utility (Continued)

1. For Nonpayment of Bills (Continued)

j. Residential Customer's Remedies Upon Receipt of Discontinuance Notice.

(4) Failure of the residential as well as the nonresidential customer to observe these time limits shall entitle the utility to insist upon payment or, upon failure to pay, to discontinue the customer's service.

k. Designation of a Third-Party Representative (Elderly or Handicapped only)

(1) Customer must inform utility if he desires that a third party receive discontinuance or other notices on his behalf.

(2) Utility must be advised of name, address and telephone number of third party with a letter from third party accepting this responsibility.

(3) Only customers who certify that they are elderly or handicapped are entitled to third-party representation.*

2. For Noncompliance with Rules

The utility may discontinue service to any customer for violation of these rules after it has given the customer at least five days' written notice of such intention. Where safety of water supply is endangered, service may be discontinued immediately without notice.

3. For Waste of Water

a. Where negligent or wasteful use of water exists on customer's premises, the utility may discontinue the service if such practices are not remedied within five days after it has given the customer written notice to such effect.

(Continued)

* Proof of age must be supported by certificate of birth, driver's license, passport or other reliable document. Proof of handicap must be by certification from a licensed physician, public health nurse or social worker.

Rule No. 11

DISCONTINUANCE AND RESTORATION OF SERVICE
(Continued)

B. Continuance of Services by Utility (Continued)

3. For Waste of Water (Continued)

b. In order to protect itself against serious and unnecessary waste or misuse of water, the utility may meter any flat rate service and apply the regularly established meter rates where the customer continues to misuse or waste water beyond five days after the utility has given the customer written notice to remedy such practices.

4. For Unsafe Apparatus or Where Service is Detrimental or Damaging to the Utility or its Customers

If an unsafe or hazardous condition is found to exist on the customer's premise, or if the use of water thereon by apparatus, appliances, equipment or otherwise is found to be detrimental or damaging to the utility or its customers, the service may be shutoff without notice. The utility will notify the customer immediately of the reasons for the discontinuance and the corrective action to be taken by the customer before service can be restored.

5. For Fraudulent Use of Service

When the utility has discovered that a customer has obtained service by fraudulent means, or has diverted the water service for unauthorized use, the service to that customer may be discontinued without notice. The utility will not restore service to such customer until that customer has complied with all filed rules and reasonable requirements of the utility and the utility has been reimbursed for the full amount of the service rendered and the actual cost to the utility incurred by reason of the fraudulent use.

C. Restoration of Service

1. Reconnection Charge

Where service has been discontinued for violation of these rules or for nonpayment of bills, the utility may charge $25.00 for reconnection of service during regular working hours or $37.50 (I)
for reconnection of service at other than regular working hours when the customer has requested that the reconnection be made at other than regular working hours.

(Continued)

Rule No. 11

DISCONTINUANCE AND RESTORATION OF SERVICE
(Continued)

C. Restoration of Service (Continued)

2. To be Made During Regular Working Hours

The utility will endeavor to make reconnections during regular working hours on the day of the request, if the conditions permit; otherwise reconnections will be made on the regular working day following the day the request is made.

3. To Be Made at Other Than Regular Working Hours

When a customer has requested that the reconnection be made at other than regular working hours, the utility will reasonably endeavor to so make the reconnection if practicable under the circumstances.

4. Wrongful Discontinuance

A service wrongfully discontinued by the utility, must be restored without charge for the restoration to the customer within 24 hours.

D. Refusal to Serve

1 Conditions for Refusal

The utility may refuse to serve an applicant for service under the following conditions:

a. If the applicant fails to comply with any of the rules as filed with the Public Utilities Commission.

b. If the intended use of the service is of such a nature that it will be detrimental or injurious to existing customers.

c. If, in the judgment of the utility, the applicant's installation for utilizing the service is unsafe or hazardous, or of such nature that satisfactory service cannot be rendered.

(Continued)

Rule No. 11

DISCONTINUANCE AND RESTORATION OF SERVICE
(Continued)

C. Restoration of Service (Continued)

1. Conditions for Refusal (Continued)

d. Where service has been discontinued for fraudulent use, the utility will not serve an applicant until it has determined that all conditions of fraudulent use or practice has been corrected.

2. Notification to Customers

When an applicant is refused service under the provisions of this rule, the utility will notify the applicant promptly of the reason for the refusal to service and of the right of applicant to appeal the utility's decision to the Public Utilities Commission.

RULE 14.1
WATER CONSERVATION AND RATIONING PLAN

GENERAL INFORMATION

(N)

1. If water supplies are projected to be insufficient to meet normal customer demand, and are beyond the control of the utility, the utility may elect to implement voluntary conservation using the portion of this plan set forth in Section A of this Rule, after notifying the Director of the Commission's Division of Water and Audits of its intent, via a letter in both hard-copy and e-mailed formats.

2. Prior to declaration of mandatory rationing, a utility may request authorization of a Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff, via a Tier 2 advice letter.

3. If, in the opinion of the utility, more stringent water measures are required, the utility shall request Commission authorization to implement the staged mandatory conservation and rationing measures set forth in Sections B through E.

4. The utility shall file a Tier 1 advice letter to request activation of a particular stage of Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff.

a. If a Declaration of Mandatory Rationing is made by utility or governing agency, or

b. If the utility is unable to address voluntary conservation levels set by itself, supplier, or governing agency, or

c. If the utility chooses to subsequently activate a different stage

5. When Schedule 14.1 is in effect and the utility determines that water supplies are again sufficient to meet normal demands, and mandatory conservation and rationing measures are no longer necessary, the utility shall seek Commission approval via a Tier 1 advice letter to de-activate the particular stage of mandatory rationing that had been authorized.

(N)

(Continued)

RULE 14.1
WATER CONSERVATION AND RATIONING PLAN

GENERAL INFORMATION (Continued) (N)

6. In the event of a water supply shortage requiring a voluntary or mandatory program, the utility shall make available to its customers water conservation kits as required by its version of Rule 20. The utility shall notify all customers of the availability of conservation kits via a bill insert or direct mailers.

A. CONSERVATION - NON-ESSENTIAL OR UNAUTHORIZED WATER USE

No customer shall use utility-supplied water for non-essential or unauthorized uses, including but not limited to:

1. Use of potable water for more than minimal landscaping, as defined in the landscaping regulated of the jurisdiction or as described in Article 10.8 of the California Government Code in connection with new construction;
2. Use through any meter when the company has notified the customer in writing to repair a broken or defective plumbing, sprinkler, watering or irrigation system and the customer has failed to effect such repairs within five business days;
3. Use of potable water which results in flooding or runoff in gutters or streets;
4. Individual private washing of cars with a hose except with the use of a positive action shut-off nozzle. Use of potable water for washing commercial aircraft, cars, buses, boats, trailers, or other commercial vehicles at any time, except at commercial or fleet vehicle or boat washing facilities operated at a fixed location where equipment using water is properly maintained to avoid wasteful use;
5. Use of potable water washing buildings, structures, , driveways, patios, parking lots, tennis courts, or other hard-surfaced areas, except in the cases where health and safety are at risk;
6. Use of potable water to irrigate turf, lawns, gardens, or ornamental landscaping by means other than drip irrigation, or hand watering without quick acting positive action shut-off nozzles, on a specific schedule, for example: 1) before 8:00 a.m. and after 7:00 p.m.; 2) every other day; or 3) selected days of the week; (N)

(Continued)

RULE 14.1
WATER CONSERVATION AND RATIONING PLAN

GENERAL INFORMATION (Continued)

(N)

7. Use of potable water for watering streets with trucks, except for initial wash-down for construction purposes (if street sweeping is not feasible), or to protect the health and safety of the public;
8. Use of potable water for construction purposes, such as consolidation of backfill, dust control, or other uses unless no other source of water or other method can be used.
9. Use of potable water for construction purposes unless no other source of water or other method can be used;
10. Use of potable water for street cleaning;
11. Operation of commercial car washes without recycling at least 50% of the potable water used per cycle;
12. Use of potable water for watering outside plants, lawn, landscape and turf areas during certain hours if and when specified in Schedule No. 14.1 when the schedule is in effect;
13. Use of potable water for decorative fountains or the filling or topping off of decorative lakes or ponds. Exceptions are made for those decorative fountains, lakes, or ponds which utilize recycled water;
14. Use of potable water for the filling or refilling of swimming pools.
15. Service of water by any restaurant except upon the request of a patron; and
16. Use of potable water to flush hydrants, except where required for public health or safety.

B. STAGED MANDATORY RATIONING OF WATER USAGE

1. Prior to declaration of mandatory rationing, a utility may request authorization of a Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff, via a Tier 2 advice letter, with full justification. The utility may not institute Schedule 14.1 until it has been authorized to do so by the Commission.

(N)

(Continued)

RULE 14.1
WATER CONSERVATION AND RATIONING PLAN

(N)

STAGED MANDATORY RATIONING OF WATER USAGE (Continued)

a. A staged Schedule 14.1 that has been authorized by the Commission shall remain dormant until triggered by specific conditions detailed in the Schedule 14.1 tariff and utility has requested and received authorization for activating a stage by Commission.

b. Notice of the Tier 2 advice letter (example shown in Appendix C) and associated public participation hearing shall be provided to customers under General Order (GO) 96-B rules.

c. Utility shall comply with all requirements of Sections 350-358 of the California Water Code.

d. The Tier 2 advice letter requesting institution of a Schedule 14.1 shall include but not be limited to:

   i. Proposed Schedule 14.1 tariff, which shall include but not be limited to:

      1. Applicability,
      2. Territory applicable to,
      3. A detailed description of each Stage of Rationing,
      4. A detailed description of the Trigger that Activates each Stage of Rationing,
      5. A detailed description of each water use restriction for each stage of rationing.
      6. Water use violation levels, written warning levels, associated fines, and exception procedures,

(N)

(Continued)

RULE 14.1
WATER CONSERVATION AND RATIONING PLAN

STAGED MANDATORY RATIONING OF WATER USAGE (Continued) Page 5

7. Conditions for installation of a flow restrictor, (N)
8. Charges for removal of flow restrictors, and
9. Special Conditions

ii. Justification for, and documentation and calculations in support of plan, including but not limited to each item in B.1.d.i above.

2. Number of Stages requested by each utility/district may vary, depending on specifics of water shortage event.
3. The utility shall file a Tier 1 advice letter to request activation of a particular stage of Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff.
   a. If a Declaration of Mandatory Rationing is made by utility or governing agency,
   b. If the utility is unable to address voluntary conservation levels set by itself or governing agency, or
   c. If the utility chooses to subsequently activate a different stage.
   d. The Tier 1 advice letter requesting activation of a Schedule 14.1 shall include but not be limited to:
      i. Justification for activating this particular stage of mandatory rationing, as well as period during which this particular stage of mandatory conservation and rationing measures will be in effect.
      ii. When the utility requests activation of a particular Stage, it shall notify its customers as detailed in Section E, below.
4. All monies collected by the utility through water use violation fines shall not be accounted for as income.
5. All expenses incurred by utility to implement Rule 14.1 and Schedule 14.1 that have not been considered in a General Rate Case or other proceeding, shall be recoverable by utility if determined to be reasonable by Commission. (N)

(Continued)

RULE 14.1
WATER CONSERVATION AND RATIONING PLAN

STAGED MANDATORY RATIONING OF WATER USAGE (Continued) Page 6

(N)

a. These monies shall be accumulated by the utility in a separate memorandum account for disposition as directed or authorized from time to time by the Commission.

C. ENFORCEMENT OF STAGED MANDATORY CONSERVATION AND RATIONING

1. The water use restrictions of the conservation program, in Section A of this rule, become mandatory when the authorized Schedule 14.1-Staged Mandatory Rationing Program is triggered, the utility files a Tier 1 advice letter requesting activation of a particular stage, and authorization is received from the Commission.
   a. In the event a customer is observed to be using water for any nonessential or unauthorized use as defined in Section A of this rule, the utility may charge a water use violation fine in accordance with Schedule No. 14.1.

2. The utility may, after one written warning and one non-essential or unauthorized use violation notice , install a flow-restricting device on the service line of any customer observed by utility personnel to be using water for any non-essential or unauthorized use as defined in Section A above.

3. A flow restrictor shall not restrict water delivery by greater than 50% of normal flow. The restricting device may be removed only by the utility, only after a three-day period has elapsed, and only upon payment of the appropriate removal charge as set forth in Schedule No. 14.1.

4. After the removal of the restricting device, if any non-essential or unauthorized use of water shall continue, the utility may install another flow-restricting device. This device shall remain in place until water supply conditions warrant its removal and until the appropriate charge for removal has been paid to the utility.

5. Any tampering with flow restricting device by customer can result in fines or discontinuation of water use at the utility's discretion.

(N)

(Continued)

RULE 14.1
WATER CONSERVATION AND RATIONING PLAN

ENFORCEMENT OF STAGED MANDATORY CONSERVATION AND RATIONING
(Continued) Page 7
(N)

6. If, despite installation of such flow-restricting device pursuant to the provisions of the previous enforcement conditions, any such non-essential or unauthorized use of water shall continue, then the utility may discontinue water service to such customer. In such latter event, a charge as provided in Rule No. 11 shall be paid to the utility as a condition to restoration of service.

7. All monies collected by the utility through water use violation fines shall not be accounted for as income. All expenses incurred by utility to implement Rule 14.1 and Schedule 14.1 that have not been considered in a General Rate Case or other proceeding, shall be recoverable by utility if determined to be reasonable by Commission. These additional monies shall be accumulated by the utility in a separate memorandum account for disposition as directed or authorized from time to time by the Commission.

8. The charge for removal of a flow-restricting device shall be in accordance with Schedule No. 14.1.

D. APPEAL PROCEDURE

1. Any customer who seeks a variance from any of the provisions of this water conservation and rationing plan shall notify the utility in writing, explaining in detail the reason for such a variation. The utility shall respond to each such request in writing.

2. Any customer not satisfied with the utility's response may file an appeal with the staff of the Commission. The customer and the utility will be notified of the disposition of such appeal by letter from the Executive Director of the Commission.

(N)

(Continued)

RULE 14.1
WATER CONSERVATION AND RATIONING PLAN

APPEAL PROCEDURE (Continued) Page 8

(N)

3. If the customer disagrees with such disposition, the customer shall have the right to file a formal complaint with the Commission. Except as set forth in this Section, no person shall have any right or claim in law or in equity, against the utility because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of this water conservation and rationing plan.

E. PUBLICITY

1. As stated under Section B.1.b and c, when a utility requests authorization of a Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff, via a Tier 2 advice letter, it shall provide notice of the Tier 2 advice letter (example shown in Attachment C) and associated public meeting provided to customers, under General Order (GO) 96-B rules, and shall comply with all requirements of Sections 350-358 of the California Water Code (CWC), including but not limited to the following:
    a. In order to be in compliance with both the GO and CWC, the utility shall provide notice via both newspaper and bill insert/direct mailing.
    b. Utility shall file one notice for each advice letter filed, that includes both notice of the filing of the Tier 2 advice letter as well as the details of the public meeting (date, time, place, etc).
    c. The public meeting shall be held after the utility files the Tier 2 advice letter, and before the Commission authorizes implementation of the tariff.
    d. Utility shall consult with Division of Water and Audits staff prior to filing advice letter, in order to determine details of public meeting.
2. In the event that a Schedule 14.1-Staged Mandatory Rationing Plan is triggered, and an utility requests activation through the filing of a Tier 1 advice letter, the utility shall notify its customers and provide each customer with a copy of Schedule 14.1 by means of bill insert or direct mailing. Notification shall take place prior to imposing any fines associated with this plan.

(N)

(Continued)

RULE 14.1
WATER CONSERVATION AND RATIONING PLAN

PUBLICITY (Continued) Page 9

(N)

3. During the period that a stage of Schedule 14.1 is activated, the utility shall provide customers with updates in at least every other bill, regarding its water supply status and the results of customers' conservation efforts.

(N)

Rule No. 20

WATER CONSERVATION (N)

A. Purpose

The purpose of this rule is to ensure that water resources available to the utility are put to a reasonable beneficial use and that the benefits of the utility's water water supply and service extend to the largest number of persons.

B. Waste of Water Discouraged

Refer to Rule 11 B. (3).

C. Use of Water-Saving Devices and Practices

Each customer of the utility is urged to install devices to reduce the quantity of water to flush toilets and to reduce the flow rate of showers.
Each customer is further urged to adopt such other water usage and reusage practices and procedures as are feasible and reasonable.

D. Water-Saving Kits

The utility will make available, without initial cost to the customer, for use in each residence receiving water service from the utility, a water-saving kit containing the following:

(1) A device or devices for reducing toilet flush water requirements;

(2) A device or devices for reducing shower flow rates;

(3) A dye tablet or tablets for determining if a toilet tank leaks;

(4) Other devices from time to time approved by the utility;

(5) Installation and other instructions and information pertinent to conservation of water. (N)

Appendix E

DMM Supporting Documents

Schedule No. SM-1-R
Santa Maria District

RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all residential metered water services provided to single-family residential customers.

TERRITORY

Within the established Santa Maria District, San Luis Obispo County and Santa Barbara County.

RATES	Per Meter Per Month	
Quantity Rates:		
First 1,500 cu. ft. per 100 cu. ft.	$ 1.584	(I)
Next 1,200 cu. Ft., per 100 cu. ft.	$ 1.821	(I)
Over 2,700 cu. ft., per 100 cu. ft.	$ 2.093	(I)
Service Charge:		
For 5/8 x 3/4-inch meter	$ 14.50	
For 3/4-inch meter	21.75	(I)
For 1-inch meter	36.25	(I)
For 1-1/2 inch meter	72.50	(I)
For 2-inch meter	116.35	(I)
For 3-inch meter	217.60	(I)
For 4-inch meter	362.05	(I)
For 6-inch meter	725.05	(I)
For 8-inch meter	1,159.30	(I)
For 10-inch meter	1,666.75	(I)

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Pursuant to Decision 07-05-041, to recover the Santa Maria Water Rights Litigation expense balance as of December 31, 2005, a surcharge of $0.081 per Ccf is to be added to the quantity rate and is subject to recalibration annually until July 26, 2017 or until the SMWRBA is fully recovered, whichever is sooner. The revenue from the surcharge will be applied to the Santa Maria Water Rights Balancing Account.
3. Pursuant to Decision No. 10-12-059, a surcharge of $0.033 per Ccf will be applied to all metered customer bills excluding customers that are receiving the CARW credit. This surcharge will offset the CARW credits and CARW administrative program costs recorded in the CARW Balancing Account.
4. As authorized by the California Public Utilities Commission, an amount of $0.0399 per Ccf is to be added to the Quantity Rate until the balance in the "WCMA" is fully recovered, approximately 12 months, beginning on the effective date of Advice Letter 1357-WA, which is October 2, 2010. This surcharge will recover the net revenue loss as a result of the Governor's declared drought on June 4, 2008.
5. As authorized by the California Utilities Commission, an amount of $0.034 per Ccf for Tier 1, $0.040 per Ccf for Tier 2 and $0.046 for Tier 3 is to be added to the quantity rate through April 21, 2011, 12-Months from the effective date of Advice Letter 1390-WA of April 22, 2010. This surcharge will recover the Under-collection in the WRAM/MCBA Balancing Accounts as of December 31, 2009.
6. As authorized by the California Public Utilities Commission, a one-time surcredit of $43.64 is to be applied to customer bills on the effective date of Advice Letter 1430-W. This surcredit will refund the La Serena Plant Improvement costs recorded in rate base.

Schedule No. SM-1-NR
Santa Maria District

NON-RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all metered water services except those covered under SM-1-R.

TERRITORY

Within the established Santa Maria District, San Luis Obispo County and Santa Barbara County.

RATES	Per Meter Per Month	
Quantity Rates:		
For all water delivered, per 100 cu. ft.....	$ 1.508	(I)
Service Charge:		
For 5/8 x 3/4-inch meter.....	$ 17.70	
For 3/4-inch meter.....	26.60	(I)
For 1-inch meter.....	44.35	(I)
For 1-1/2 inch meter.....	88.60	(I)
For 2-inch meter.....	141.40	(I)
For 3-inch meter.....	265.75	(I)
For 4-inch meter.....	443.25	(I)
For 6-inch meter.....	886.50	(I)
For 8-inch meter.....	1,418.05	(I)
For 10-inch meter.....	2,037.80	(I)

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Pursuant to Decision 07-05-041, to recover the Santa Maria Water Rights Litigation expense balance as of December 31, 2005, a surcharge of $0.081 per Ccf is to be added to the quantity rate and is subject to recalibration annually until July 26, 2017 or until the SMWRBA is fully recovered, whichever is sooner. The revenue from the surcharge will be applied to the Santa Maria Water Rights Balancing Account.
3. Pursuant to Decision No. 10-12-059, a surcharge of $0.033 per Ccf will be applied to all metered customer bills excluding customers that are receiving the CARW credit. This surcharge will offset the CARW credits and CARW administrative program costs recorded in the CARW Balancing Account.
4. As authorized by the California Public Utilities Commission, an amount of $0.0399 per Ccf is to be added to the Quantity Rate until the balance in the "WCMA" is fully recovered, approximately 12 months, beginning on the effective date of Advice Letter 1357-WA, which is October 2, 2010. This surcharge will recover the net revenue loss as a result of the Governor's declared drought on June 4, 2008.
5. As authorized by the California Utilities Commission, an amount of $0.039 per Ccf is to be added t the quantity rate through April 21, 2011, 12-month from the effective date of Advice Letter 1390-WA on April 22, 2010. This Surcharge will recover the Under collection in the WRAM/MCBA Balancing Accounts As of December 31, 2009.
6. As authorized by the California Public Utilities Commission, a one-time surcredit of $43.64 is to be applied to customer bills on the effective date of Advice Letter 1430-W. This surcredit will refund the La Serena Plant Improvement costs recorded in rate base.

AWWA WLCC Water Audit Software: Reporting Worksheet

WASv3.0

Back to Instructions

? Click to access definition

Water Audit Report for: Orcutt - Santa Maria - Golden State Water Company
Reporting Year: 2009

Please enter data in the white cells below. Where possible, metered values should be used; if metered values are unavailable please estimate a value. Indicate this by selecting a choice from the gray box to the left, where M = measured (or accurately known value) and E = estimated.

All volumes to be entered as: ACRE-FEET PER YEAR

WATER SUPPLIED

Volume from own sources:	M	8,198.688	acre-ft/yr	
Master meter error adjustment:	E	75.000	under-registered	acre-ft/yr
Water imported:	M	71.021	acre-ft/yr	
Water exported:	M	0.000	acre-ft/yr	
WATER SUPPLIED:		8,344.709	acre-ft/yr	

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons below

				Pcnt:	Value:
Billed metered:	M	7,618.276	acre-ft/yr		
Billed unmetered:	M	0.000	acre-ft/yr		
Unbilled metered:			acre-ft/yr		
Unbilled unmetered:		104.309	acre-ft/yr	1.25%	
AUTHORIZED CONSUMPTION:		7,722.585	acre-ft/yr		

Use buttons to select percentage OR value

				Pcnt:	Value:
WATER LOSSES (Water Supplied - Authorized Consumption)		622.124	acre-ft/yr		
Apparent Losses					
Unauthorized consumption:		20.862	acre-ft/yr	0.25%	
Customer metering inaccuracies:		155.475	acre-ft/yr	2.00%	
Systematic data handling errors:			acre-ft/yr		
Apparent Losses:		176.337	acre-ft/yr		
Real Losses					
Real Losses = (Water Losses - Apparent Losses):		445.788	acre-ft/yr		
WATER LOSSES:		622.124	acre-ft/yr		

NON-REVENUE WATER

NON-REVENUE WATER:	726.433	acre-ft/yr	

SYSTEM DATA

Length of mains:		126.1	miles	
Number of active AND inactive service connections:		11,259		
Connection density:		89	conn./mile main	
Average length of customer service line:	E	15.0	ft	(pipe length between curbstop and customer meter or property boundary)
Average operating pressure:		84.3	psi	

COST DATA

Total annual cost of operating water system:	$2,098,105	$/Year	
Customer retail unit cost (applied to Apparent Losses):	$1.69	$/100 cubic feet (ccf)	
Variable production cost (applied to Real Losses):	$1.56	$/acre-ft/yr	

DATA REVIEW - Please review the following information and make changes above if necessary:

- Input values should be indicated as either measured or estimated. You have entered:
  - **5 as measured values**
  - **2 as estimated values**
  - **2 as default values**
  - **9 without specifying measured, estimated or default**
- Water Supplied Data: No problems identified
- Unbilled unmetered consumption: No problems identified
- Unauthorized consumption: No problems identified
- It is important to accurately measure the master meter - you have entered the measurement type as: measured
- Cost Data: No problems identified

PERFORMANCE INDICATORS

Financial Indicators

Non-revenue water as percent by volume:	8.7%	
Non-revenue water as percent by cost:	6.2%	
Annual cost of Apparent Losses:	$130,120	
Annual cost of Real Losses:	$694	

Operational Efficiency Indicators

Apparent Losses per service connection per day:	13.98	gallons/connection/day
Real Losses per service connection per day*:	35.35	gallons/connection/day
Real Losses per length of main per day*:	N/A	
Real Losses per service connection per day per psi pressure:	0.42	gallons/connection/day/psi
? Unavoidable Annual Real Losses (UARL):	80.34	million gallons/year
? Infrastructure Leakage Index (ILI) [Real Losses/UARL]:	1.81	

* only the most applicable of these two indicators will be calculated

Appendix F

Groundwater Basin Water Rights Stipulation/Judgment

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

SANTA MARIA VALLEY WATER CONSERVATION DISTRICT, Plaintiff, v. CITY OF SANTA MARIA, et al., Defendants. AND RELATED CROSS-ACTIONS AND ACTIONS CONSOLIDATED FOR ALL PURPOSES	SANTA MARIA GROUNDWATER LITIGATION Lead Case No. CV 770214 (CONSOLIDATED FOR ALL PURPOSES) [Consolidated With Case Numbers: CV 784900; CV 785509; CV 785522; CV 787150; CV 784921; CV 785511; CV 785936; CV 787151; CV 784926; CV 785515; CV 786791; CV 787152; CV 036410] San Luis Obispo County Superior Court Case Nos. 990738 and 990739 [Assigned to Judge Jack Komar for All Purposes]

AMENDMENTS TO STIPULATION POSTED ON JUNE 23, 2005

The following changes have been made to the Stipulation posted on June 23, 2005 by Robert J. Saperstein of Hatch & Parent to the Santa Clara County Superior Court's Complex Litigation website (http://www.sccomplex.org/home/index.htm). A revised Stipulation containing the following changes has been posted concurrently with this document.

1. The title of the Stipulation has been changed to "Stipulation (June 30, 2005 version)".

2. Page 16, line 24:

"of Groundwater" has been inserted between "use" and "to".

3. Page 20, lines 6-8:

The text in Paragraph (g) has been deleted and replaced with:

> "The cost of TMA-sponsored Extraordinary Project Operations and Capital Improvement Projects shall be divided among Twitchell Participants on the same basis as the allocation of their Twitchell Yield."

4. Page 21, lines 2-3:

The text of Paragraph 3 has been deleted and replaced with:

> "No modification of land use authority. This Stipulation does not modify the authority of the entity holding land use approval authority over the proposed New Urban Uses."

5. Page 24, line 19:

A period has been added after "groups.yahoo.com/group/ NipomoCommunity/".

6. Exhibits. Page numbers have been placed at the bottom right-hand side of the exhibits.

7. Exhibit B. Page 7 of the January 17, 2002 Brief of Conoco, et al. has been included as the last page of Exhibit B.

8. Exhibit D. The entire description in the title page for Exhibit D has been deleted and replaced with:

///

///

"I. Maps Identifying Those Lands as of January 1, 2005:

a. within the boundaries of a municipality or its sphere of influence, or within the process of inclusion in its sphere of influence; or

b. within the certificated service area of a publicly regulated utility.

II. List of selected parcels that are nearby the boundaries identified on the incorporated maps, which in addition to more distant parcels, are excluded from these new urban use areas."

9. Exhibit D. The list of selected excluded parcels has been physically placed after the maps.

10. Exhibit D. Parcel 129-210-017 has been added to the list of selected excluded parcels.

11. Exhibit F. A final form of the "Santa Maria Valley Public Water Purveyor Water Management Agreement" has replaced the draft agreement previously posted. This final agreement includes the following changes to the draft agreement:

a. Recital B. The phrase, "within its municipal boundaries" was deleted.

b. Recital C. The phrase "and is attached as Exhibit A" has been added to the end of the recital. Exhibit A and its own attached exhibits have now been included in the revised posting.

c. Correction of Section Numbering. Beginning with section 8 of the June 23, 2005 posting, the section numbers have been corrected into proper sequential order (e.g., old section 8 is now section 6, etc.)

d. Section 4.1. The allocations of Twitchell Yield for the City of Santa Maria and the City of Guadalupe have been inserted.

e. Section 5.3.2. "Exhibit A" has become "Exhibit B".

f. Section 6.1. The following has been added to the end of that section:

"The entities that have entered into the Reservation/ Purchase Agreements identified on Exhibit C to this Agreement and Exhibit B to the 2004 Agreement are deemed to

have satisfied the requirements of this Section and are exempt from the requirements of Section 6.2, below."

g. Section 6.2. The following changes have been made to section 6.2, as shown in the additions/deletions below:

"In addition to the fee paid to secure Supplemental Water pursuant to the 2004 Agreement, an additional 20% shall be charged to the SCWC Project Proponent by Santa Maria and shall be placed into either theTwitchell operational fund or the Twitchell capital fund. That incremental charge deposited in the ~~Twitchell operational~~ applicable fund, shall be deemed a SCWC contribution to offset any SCWC TMA funding requirements."

h. Section 7 (including sections 7.1 through 7.5), The "New Urban Uses – Guadalupe," provision has been added in its entirety:

"7.1 Guadalupe and Santa Maria agree that it is within their mutual interests to cooperate and coordinate their efforts to provide retail water service within their respective service areas.

7.2 Guadalupe and Santa Maria mutually acknowledge the benefits of importing SWP supplies to augment their use of local groundwater.

7.3 It is to the mutual advantage of Guadalupe and Santa Maria to have several alternatives for making use of their SWP Entitlements, Return Flows and Twitchell Yield to create flexibility, reliability, and cost effectiveness in their water supply systems. Santa Maria and Guadalupe shall each have the right to use the other's unused Twitchell Yield in any given year if needed.

7.4 Guadalupe and Santa Maria agree to work cooperatively to provide a reliable and cost effective mechanism through which Santa Maria and Guadalupe can maximize the use of their respective SWP supplies and Return Flows within the Basin. Santa Maria agrees not to oppose any effort by Guadalupe that is based on reliable data to increase the fixed percentage of Guadalupe's SWP Return Flow.

7.5 Santa Maria agrees to work cooperatively with Guadalupe to provide Guadalupe with additional SWP supplies. Guadalupe shall compensate Santa Maria through a specified dollar amount or through an exchange of water resources, as Guadalupe and Santa Maria deem appropriate. As further consideration, Santa Maria shall have a right of first refusal to purchase any SWP Return Flows that Guadalupe elects to sell from its existing SWP Entitlement, and any future SWP Entitlement, that are not for use within or adjacent to Guadalupe's service area."

i. Section 20. The word "only" was added between "This Agreement shall" and "be binding on..."

11. Exhibit H. The June 23, 2005 proposed versions of Exhibit H (two proposed forms) have been replaced in their entirety with two new forms. One form is intended to be used for recordation of notice of the Stipulation for properties located within Santa Barbara County, and the other form for properties located within San Luis Obispo County.

DATED: June 30, 2005

HATCH & PARENT

By _____
Robert J. Saperstein
Attorneys for Defendants, Cross-Complainants and Cross-Defendants, Southern California Water Company and Rural Water Company

PROOF OF SERVICE

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is HATCH & PARENT, 21 E. Carrillo Street, Santa Barbara, California 93101.

Pursuant to the Court's Order dated June 28, 2000, I, Gina Lane, did the following:

- Posted the following document at approximately 4:30 p.m. on June 30, 2005.

  AMENDMENTS TO STIPULATION POSTED ON JUNE 23, 2005

- Mailed a Notice of Availability to all parties (designating or defaulting to mail service) on the current website's service list.

I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on June 30, 2005, at Santa Barbara, California.

GINA M. LANE

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

SANTA MARIA VALLEY WATER CONSERVATION DISTRICT, Plaintiff, v. CITY OF SANTA MARIA, et al., Defendants. AND RELATED CROSS-ACTIONS AND ACTIONS CONSOLIDATED FOR ALL PURPOSES	SANTA MARIA GROUNDWATER LITIGATION Lead Case No. CV 770214 (CONSOLIDATED FOR ALL PURPOSES) [Consolidated With Case Numbers: CV 784900; CV 785509; CV 785522; CV 787150; CV 784921; CV 785511; CV 785936; CV 787151; CV 784926; CV 785515; CV 786791; CV 787152; CV 036410] San Luis Obispo County Superior Court Case Nos. 990738 and 990739 [Assigned to Judge Jack Komar for All Purposes]

STIPULATION (JUNE 30, 2005 VERSION)

TABLE OF CONTENTS

I. INTRODUCTION -- ALL MANAGEMENT AREAS

The Stipulating Parties hereby stipulate and agree to entry of judgment containing the terms and conditions of this Stipulation.

A. Parties and Jurisdiction

1. Plaintiff and Cross-Defendant Santa Maria Valley Water Conservation District ("District") is a water conservation district organized under California Water Code section 74000, *et seq*. The District does not pump Groundwater from the Basin.

2. Defendants, Cross-Complainants and Cross-Defendants the City of Santa Maria ("Santa Maria"), City of Guadalupe ("Guadalupe"), Southern California Water Company ("SCWC"), Nipomo Community Services District ("NCSD"), Rural Water Company ("RWC"), City of Arroyo Grande ("Arroyo Grande"), City of Pismo Beach ("Pismo Beach"), City of Grover Beach ("Grover Beach") and Oceano Community Services District ("Oceano") rely, in part, on Groundwater to provide public water service to customers within the Basin.

3. Cross-Defendant County of San Luis Obispo ("San Luis Obispo") is a subdivision of the State of California. Cross-Defendant San Luis Obispo County Flood Control and Water Conservation District ("SLO District") is a public entity organized pursuant to the laws of the State of California. Neither San Luis Obispo nor SLO District pumps Groundwater from the Basin.

4. Cross-Defendant County of Santa Barbara ("Santa Barbara") is a subdivision of the State of California. Santa Barbara does not pump Groundwater from the Basin.

5. Numerous other Cross-Defendants and Cross-Complainants are Overlying Owners. Many of these Overlying Owners pump Groundwater from the Basin, while others do not currently exercise their Overlying Rights. Those Overlying Owners who are Stipulating Parties are identified on Exhibit "A".

6. This action presents an *inter se* adjudication of the claims alleged between and among all Parties. This Court has jurisdiction over the subject matter of this action and over the Parties herein.

/ / /

B. Further Trial

The Stipulating Parties recognize that not all Parties have entered into this Stipulation and that a trial will be necessary as to all non-Stipulating Parties. No Stipulating Party shall interfere or oppose the effort of any other Stipulating Party in the preparation and conduct of any such trial. All Stipulating Parties agree to cooperate and coordinate their efforts in any trial or hearing necessary to obtain entry of a judgment containing the terms and conditions of this Stipulation. No Stipulating Party shall have any obligation to contribute financially to any future trial.

C. Definitions

As used in this Stipulation, the following terms shall have the meanings herein set forth:

1. *Annual or Year* – That period beginning January 1 and ending December 31.

2. *Annual Report* – The report prepared and filed with the Court annually for each Management Area.

3. *Appropriative Rights* – The right to use surplus Native Groundwater for reasonable and beneficial use.

4. *Available State Water Project Water* – The amount of SWP Water an Importer is entitled to receive in a given Year based upon the California Department of Water Resources final Table A allocation.

5. *Basin* - The groundwater basin described in the Phase I and II orders of the Court, as modified, and presented in Exhibit "B".

6. *Developed Water* – Groundwater derived from human intervention as of the date of this Stipulation, which shall be limited to Twitchell Yield, Lopez Water, Return Flows, and recharge resulting from storm water percolation ponds.

7. *Groundwater* – Twitchell Yield, Lopez Water, Return Flows, storm water percolation, Native Groundwater and all other recharge percolating within the Basin.

8. *Importer(s)* – Any Party who brings Imported Water into the Basin. At the date of this Stipulation, the Importers are Santa Maria, SCWC, Guadalupe, Pismo Beach, and Oceano.

9. *Imported Water* – Water within the Basin, originating outside the Basin that absent human intervention would not recharge or be used in the Basin.

10. *Lopez Project* – Lopez Dam and Reservoir located on Arroyo Grande Creek, together with the associated water treatment plant, delivery pipeline and all associated facilities, pursuant to State Water Resources Control Board permit No. 12814 (A-18375) and pending application No. A-30826.

11. *Lopez Water* – Groundwater within the Basin derived from the operation of the Lopez Project.

12. *Management Areas* – The three areas within the Basin that have sufficient distinguishing characteristics to permit the water resources and facilities of each area to be individually managed. The Management Areas are: the Northern Cities Management Area, the Nipomo Mesa Management Area, and the Santa Maria Valley Management Area, as shown on Exhibit "C".

13. *Management Area Engineer* – The individual(s) or consulting firm(s) that are hired to prepare the Monitoring Plan(s) and Annual Report(s) for one or more of the Management Areas.

14. *Monitoring Parties* – Those Parties responsible for conducting and funding each Monitoring Program.

15. *Monitoring Program* – The data collection and analysis program to be conducted within each Management Area sufficient to allow the preparation of the Annual Report.

16. *Native Groundwater* – Groundwater within the Basin, not derived from human intervention, that replenishes the Basin through precipitation, stream channel infiltration, tributary runoff, or other natural processes.

17. *New Developed Water* – Groundwater derived from human intervention through programs or projects implemented after the date of this Stipulation.

18. *New Urban Uses* – Municipal and industrial use which may occur on land that, as of January 1, 2005, was located: 1) within the boundaries of a municipality or its sphere of influence, or within the process of inclusion in its sphere of influence; or 2) within the certificated

service area of a publicly regulated utility. The New Urban Use areas are identified in Exhibit "D". New Urban Uses does not include the current DJ Farms development within Guadalupe City limits (including Santa Barbara County APN 113-080-18, 113-080-24).

19. *Nipomo Mesa Management Area or NMMA* – That Management Area shown on Exhibit "C".

20. *Nipomo Mesa Management Area Technical Group* – The committee formed to administer the relevant provisions of the Stipulation regarding the Nipomo Mesa Management Area.

21. *Northern Cities Management Area* – That Management Area which is part of Zone #3 of the San Luis Obispo County Flood Control and Water Conservation District as shown on Exhibit "C".

22. *Northern Cities* – Arroyo Grande, Pismo Beach, Grover Beach and Oceano.

23. *Northern Parties* – The Northern Cities, the Overlying Owners within the Northern Cities Management Area, San Luis Obispo and the SLO District.

24. *Overlying Right* – The appurtenant right of an Overlying Owner to use Native Groundwater for overlying, reasonable and beneficial use.

25. *Overlying Owner(s)* – Owners of land overlying the Basin who hold an Overlying Right.

26. *Party* – Each Person in this consolidated action, whether a Stipulating Party or a non-Stipulating Party.

27. *Person* – Any natural person, firm, association, organization, joint venture, partnership, business, trust, corporation, or public entity.

28. *Public Hearing* – A hearing after notice to all Parties and to any other person legally entitled to notice.

29. *Return Flows* – Groundwater derived from use and recharge within the Basin of water delivered through State Water Project facilities.

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30. *Santa Maria Valley Management Area* – That Management Area shown on Exhibit "C".

31. *Severe Water Shortage Conditions* – Those conditions, as separately defined in a Severe Water Shortage Response Plan for each Management Area, that trigger certain discretionary and mandatory responses by the Stipulating Parties upon order of the Court.

32. *Severe Water Shortage Response Plan* – The discretionary and mandatory responses for each Management Area that are to be implemented when Severe Water Shortage Conditions exist.

33. *State Water Project Water* or *SWP Water* – Water imported through the State of California State Water Resources Development System pursuant to Division 6, Part 6, Chapter 8, of the California Water Code.

34. *Stipulating Party* – A Party that has signed this Stipulation, as listed in Exhibit "A", or its heirs, executors, administrators, trustees, successors, assigns, and agents.

35. *Storage Space* – The portion of the Basin capable of holding water for subsequent reasonable and beneficial uses.

36. *SWP Contract(s)* – Those series of contracts that entitle the Importers to use SWP facilities to bring Imported Water into the Basin.

37. *Twitchell Management Authority* or *TMA* – The committee formed to administer the relevant provisions of the Stipulation regarding the Santa Maria Valley Management Area.

38. *Twitchell Participants* – Those Stipulating Parties holding rights to Twitchell Yield.

39. *Twitchell Project* – Dam and reservoir authorized by Congress as the "Santa Maria Project" on September 3, 1954 (Public Law 774, 83d Congress, ch. 1258, 2d session, 68 Stat. 1190) and located on the Cuyama River, approximately six miles upstream from its junction with the Sisquoc River, pursuant to that certain License For Diversion And Use of Water, License No. 10416, issued by the State Water Resources Control Board.

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40. *Twitchell Water* – Groundwater derived from operation of the Twitchell Project.

41. *Twitchell Yield* – The total amount of Groundwater allocated annually to the Twitchell Participants.

II. EXHIBITS

The following Exhibits are attached to this Stipulation and incorporated herein:

1. *Exhibit "A"*, list identifying the Stipulating Parties and the parcels of land bound by the terms of this Stipulation.

2. *Exhibit "B"*, Phase I and II Orders, as modified, and the attached map depicting the Santa Maria Basin.

3. *Exhibit "C"*, map of the Basin and boundaries of the three Management Areas.

4. *Exhibit "D"*, map identifying those lands as of January 1, 2005: 1) within the boundaries of a municipality or its sphere of influence, or within the process of inclusion in its sphere of influence; or 2) within the certificated service area of a publicly regulated utility; and a list of selected parcels that are nearby these boundaries which are excluded from within these areas.

5. *Exhibit "E"*, 2002 Settlement Agreement between the Northern Cities and Northern Landowners.

6. *Exhibit "F"*, the agreement among Santa Maria, SCWC and Guadalupe regarding the Twitchell Project and the TMA.

7. *Exhibit "G"*, the Court's Order Concerning Electronic Service of Pleadings and Electronic Posting of Discovery Documents dated June 27, 2000.

8. *Exhibit "H"*, the form of memorandum of agreement to be recorded.

III. DECLARATION OF RIGHTS -- ALL MANAGEMENT AREAS

The terms and conditions of this Stipulation set forth a physical solution concerning Groundwater, SWP Water and Storage Space, consistent with common law water rights priorities.

/ / /

A. Recognition of Priority of Overlying Rights

Except as expressly modified by the settlement agreement among the Northern Parties (Exhibit "E"), all Overlying Owners that are also Stipulating Parties have a prior and paramount Overlying Right, whether or not yet exercised.

B. Prescriptive Rights

As to the Stipulating Parties, no Party has proved prescriptive rights to any Native Groundwater. Future use by the Stipulating Parties will not be adverse and will not ripen into a prescriptive right as between the Stipulating Parties.

C. Appropriative Rights

Consistent with the specific provisions governing each Management Area, the Stipulating Parties owning and exercising Appropriative Rights have the right to the reasonable and beneficial use of Native Groundwater that is surplus to the reasonable and beneficial uses of the Stipulating Parties that are Overlying Owners. New appropriative uses shall be subordinate to existing appropriations and shall be prioritized on a first in time, first in right basis.

D. Developed Water Rights

The Stipulating Parties owning Developed Water or New Developed Water have the right to its reasonable and beneficial use, consistent with the specific provisions governing each Management Area. The right to use Developed Water is a right to use commingled Groundwater and is not limited to the corpus of that water.

E. Rights to Storage Space

The Court shall reserve jurisdiction over the use of the Storage Space, and any Party may apply to the Court for the approval of a project using Storage Space. The Court must approve any project using Storage Space before any Party can claim a right to stored water from that project. The Stipulating Parties agree that Groundwater derived from Developed Water is exempt from the Court approval requirements of this Paragraph.

F. Other Surface Water Rights

Nothing in this Stipulation affects or otherwise alters common law riparian rights or any surface water rights, unless expressly provided in this Stipulation.

IV. PHYSICAL SOLUTION – ALL MANAGEMENT AREAS

A. Authority

Pursuant to Article X, section 2 of the California Constitution, the Stipulating Parties agree that the Court has the authority to enter a judgment and physical solution containing the terms and conditions of this Stipulation. Unless the Court imposes this physical solution, potential changes in water use could affect Basin adequacy and integrity. The Declaration of Rights is a component of this physical solution.

B. Purposes and Objectives

The terms and conditions of this Stipulation are intended to impose a physical solution establishing a legal and practical means for ensuring the Basin's long-term sustainability. This physical solution governs Groundwater, SWP Water and Storage Space, and is intended to ensure that the Basin continues to be capable of supporting all existing and future reasonable and beneficial uses. This physical solution is: 1) a fair and equitable basis for the allocation of water rights in the Basin; 2) in furtherance of the mandates of the State Constitution and the water policy of the State of California; and 3) a remedy that gives due consideration to applicable common law rights and priorities to use Groundwater and Storage Space, without substantially impairing any such right.

C. Basin Management Areas

Development and use of Groundwater, SWP Water and Storage Space have historically been financed and managed separately in three Management Areas. For example, only the Northern Parties have paid for, managed, and benefited from the Lopez Project; whereas only Santa Maria Valley parties have paid for, managed, and benefited from the Twitchell Project. In contrast, the Nipomo Mesa parties have not been involved in the funding or management of either the Twitchell or Lopez Projects.

The Stipulating Parties agree that Groundwater, SWP Water and Storage Space can be more efficiently allocated and managed in three Management Areas, given the physical, geographical, political, economic, and historic conditions. The three Management Areas, as shown on Exhibit "C," are as follows: Northern Cities Management Area; Nipomo Mesa Management

Area; and Santa Maria Valley Management Area. The Stipulating Parties intend that management through three Management Areas will preserve the Basin's integrity.

D. Groundwater Monitoring

1. *Monitoring Program*. A Monitoring Program shall be established in each of the three Management Areas to collect and analyze data regarding water supply and demand conditions. Data collection and monitoring shall be sufficient to determine land and water uses in the Basin, sources of supply to meet those uses, groundwater conditions including groundwater levels and quality, the amount and disposition of Developed Water supplies, and the amount and disposition of any other sources of water supply in the Basin. The Northern Cities Management Area shall not be required to include in its Monitoring Program or Annual Reports quantification of groundwater recharge from the Lopez Project or storm water percolation ponds, unless the Court orders inclusion of this information.

Within one hundred and eighty days after entry of judgment, representatives of the Monitoring Parties from each Management Area will present to the Court for its approval their proposed Monitoring Program. The Management Area Engineers shall freely share available well data, groundwater models, and other products and tools utilized in monitoring and analysis of conditions in the three Management Areas, consistent with the confidentiality provisions of this Stipulation.

Absent a Court order to the contrary, all Stipulating Parties shall make available relevant information regarding groundwater elevations and water quality data necessary to implement the Monitoring Program approved for their respective Management Area. The Monitoring Parties shall coordinate with the Stipulating Parties to obtain any needed data on reasonable terms and conditions. Metering may only be imposed on Stipulating Parties upon a Court order following a showing that such data is necessary to monitor groundwater conditions in the Basin, and in the case of an Overlying Owner, that Overlying Owner has failed to provide information comparable to that provided by other Overlying Owners. The confidentiality of well data from individual owners and operators will be preserved, absent a Court order or written consent.

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2. *Monitoring Parties*. The Monitoring Parties are as follows:

(a) Santa Maria Valley Management Area – The Twitchell Management Authority.

(b) Northern Cities Management Area – The Northern Cities.

(c) Nipomo Mesa Management Area – The NMMA Technical Group.

3. *Annual Reports*. Within one hundred and twenty days after each Year, the Management Area Engineers will file an Annual Report with the Court. The Annual Report will summarize the results of the Monitoring Program, changes in groundwater supplies, and any threats to Groundwater supplies. The Annual Report shall also include a tabulation of Management Area water use, including Imported Water availability and use, Return Flow entitlement and use, other Developed Water availability and use, and Groundwater use. Any Stipulating Party may object to the Monitoring Program, the reported results, or the Annual Report by motion.

4. *Management Area Engineer*. The Monitoring Parties may hire individuals or consulting firms to assist in the preparation of the Monitoring Programs and the Annual Reports. Except as provided below for the Santa Maria Valley Management Area, the Monitoring Parties, in their sole discretion, shall select, retain and replace the Management Area Engineer.

E. New Developed Water

1. Stipulating Parties in each Management Area may prepare and implement plans to develop, salvage or import additional water supplies.

2. The Stipulating Parties that pay, or otherwise provide consideration, for New Developed Water are entitled to use it to the extent the New Developed Water augments the water supplies in that Management Area. If more than one Stipulating Party finances or participates in generating New Developed Water, rights to the supply of New Developed Water shall be proportional to each Stipulating Party's financial contribution or other consideration, or as otherwise mutually agreed to by the participating Stipulating Parties. This paragraph does not apply to Return Flows.

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3. The Stipulating Parties who desire to claim New Developed Water supplies must bring a motion, and obtain an order from the Court, quantifying and allocating the rights to the New Developed Water, before they have the prior right to the New Developed Water.

F. Severe Water Shortage Response

This physical solution sets forth a Severe Water Shortage Plan for each Management Area which is intended to provide an effective response to Severe Water Shortage Conditions that may develop within each or all of the Management Areas. The specific Severe Water Shortage Plans for each Management Area are incorporated herein and made a part of the physical solution.

V. PHYSICAL SOLUTION: PROVISIONS SPECIFIC TO SANTA MARIA VALLEY MANAGEMENT AREA

As supplemented by the provisions of this Stipulation that apply to all Management Areas, the following terms govern rights to Groundwater, SWP Water and Storage Space in the Santa Maria Valley Management Area.

A. Water Rights to Sources of Supply

1. *Overlying Rights*. The Stipulating Parties who are Overlying Owners within the Santa Maria Valley Management Area each have the prior and paramount right to use Native Groundwater. Subject to Paragraph V(C)(2)(b)(vi), all Overlying Rights are appurtenant to the overlying land and cannot be assigned or conveyed separate or apart from those lands.

2. *Appropriative Rights*. The Parties listed in Exhibit "A" are the owners of Appropriative Rights exercised in the Santa Maria Valley Management Area. Each Appropriative Right is limited to Native Groundwater that is surplus to reasonable and beneficial uses of the Stipulating Parties that are Overlying Owners in the Santa Maria Valley Management Area. New appropriative uses shall be subordinate to existing Appropriative Rights and shall be prioritized on a first in time, first in right basis.

3. *Developed Water*. The Stipulating Parties owning Developed Water have the right to its reasonable and beneficial use, subject only to the Severe Water Shortage Plan. On an annual basis, the Stipulating Parties shall have the right to the reasonable and beneficial use of Developed Water that is surplus to the reasonable and beneficial uses of the owners of that

Developed Water. The right to use Developed Water is a right to use commingled Groundwater and is not limited to the corpus of that water.

(a) New Developed Water. The ownership and use of New Developed Water shall be subject to Court order.

(b) Twitchell Water.

(i) *Amount.* The Twitchell Project annually provides a variable amount of Developed Water that augments the Groundwater in the Santa Maria Valley Management Area. Twitchell Yield is thirty-two thousand acre-feet per year ("afy").

(ii) *Division of Twitchell Yield.* Twitchell Yield shall be divided as follows: 80% to Santa Maria, SCWC and Guadalupe, and 20% to the Overlying Owners within the District who are Stipulating Parties.

a. The Twitchell Yield allocated to Santa Maria, SCWC and Guadalupe is suballocated pursuant to the agreement among Santa Maria, SCWC and Guadalupe, as attached and incorporated herein as Exhibit "F".

b. The Twitchell Yield allocated to the Overlying Owners who are Stipulating Parties within the District shall be equally allocated to each acre of land within the District owned by these Stipulating Parties. Concurrently with the execution of this Stipulation, each of these Stipulating Parties shall report their acreage of overlying land within the District on a parcel specific basis. Within one hundred and twenty days of the effective date of this Stipulation, the Management Area Engineer shall create a list of all the Stipulating Parties and their respective allocation of the Twitchell Yield.

(iii) *Recapture of Twitchell Yield.* The right to use Twitchell Yield is a right to use commingled Groundwater and is not limited to the corpus of that water.

(iv) *Transfer of Twitchell Yield.* Twitchell Yield may be transferred, temporarily or permanently, only between Stipulating Parties and the transfer market shall be as open and competitive as practical. A memorandum of agreement summarizing each transfer shall be filed with the Court and provided to the TMA. Any such memorandum of agreement shall state the Parties to the transfer, the amount of Twitchell Yield transferred, the price per acre-

foot, and the Party responsible for the financial obligation associated with the Twitchell Yield.

(v) *Carryover.* Any portion of Twitchell Yield that is not used in a given Year shall not be carried over into the following Year.

(c) State Water Project Water.

(i) *Import and Use of State Water Project Water.* Santa Maria, SCWC and Guadalupe all have SWP Contracts. Santa Maria will import and use within the Santa Maria Valley Management Area not less than 10,000 acre-feet each Year of Available SWP Water, or the full amount of Available SWP Water if the amount physically available is less than 10,000 acre-feet in a given Year under Santa Maria's SWP Contract. Guadalupe will import and use within the Santa Maria Valley Management Area a minimum of 75% of its Available SWP Water. SCWC will import and use within the Basin all its Available SWP Water. Santa Maria, SCWC and Guadalupe will not voluntarily relinquish or terminate their current SWP Contracts, and shall seek renewal of these SWP Contracts.

(ii) *Return Flows.*

a. Fixed Amount. The Return Flows available to each Importer is fixed based on a percentage of the annual amount of SWP Water the Importer uses within the Basin. The fixed percentage for each importer is as follows: (a) Santa Maria 65%; (b) SCWC 45%; and (c) Guadalupe 45%. The percentage provided to SCWC and Guadalupe shall be adjusted through a Court order if: a) either entity increases its use of water imported into the Basin, b) the applicable method of wastewater treatment and discharge to the Basin is altered, or c) good cause is shown.

b. Recapture. The right to use Return Flows does not attach to the corpus of SWP water deliveries or the treated SWP wastewater discharged into the Basin but is a right to use the commingled Groundwater. The Importer's right to Return Flows is assignable in whole or in part, subject to necessary accounting.

c. Quantification of Return Flows. Return Flows equal the total amount of SWP Water used by the Importer in the prior five Years, divided by five, and then multiplied by the Importer's percentage as provided in Paragraph V(A)(3)(c)(ii)(a) above.

d. Carryover. Any portion of Return Flows that is not used in a given Year shall not be carried over into the following Year.

B. Monitoring and Management

1. *Status of Management Area*. Current Groundwater and SWP Water supplies are sustaining existing water uses. Changes in land and water use and demographic conditions can be expected to occur, possibly resulting in changes in water supply or demand requirements.

2. *Need for Monitoring*. Monitoring and reporting of changes in land and water use and demographic conditions are necessary to ensure that water supplies continue to be sufficient to support water uses.

3. *Monitoring Program*.

(a) Annual Report: Content and Processing.

The Annual Report shall include an analysis of the relationship between projected water demands and projected water supplies.

(i) The Annual Report shall be prepared and signed by the Management Area Engineer, and shall be simultaneously submitted to the Court and the TMA.

(ii) Within forty-five days of submission, the TMA shall hold a noticed public hearing to take comments on and consider for adoption the Annual Report. No later than forty-five days from the date of the public hearing, the TMA shall submit to the Court its recommendations regarding the Annual Report.

(iii) Within one hundred and twenty days of the date of the submission of the Annual Report to the Court, it shall conduct a noticed hearing on the Annual Report. Any Party may submit comments on the Annual Report. After the hearing, the Court shall accept the Annual Report or direct its modification.

(b) Management Area Engineer

(i) Absent the unanimous consent of the TMA, the Management Area Engineer shall not concurrently be employed by any Party holding rights to use Groundwater in the Santa Maria Valley Management Area.

(ii) The Management Area Engineer shall initially be the engineering firm of Luhdorff & Scalmanini. Luhdorff & Scalmanini shall be the Management Area Engineer for a minimum of the shorter of five years from the date of this Stipulation or the date upon which Mr. Joseph Scalmanini discontinues full time work for that firm.

(iii) The TMA shall employ the following process to replace the Management Area Engineer:

a. The TMA shall solicit candidates for Management Area Engineer through a public process. All submissions and candidate materials shall be available to any Party upon request. The TMA shall conduct its interview through a public process to the extent practical, and include District and Overlying Owner representatives in the candidate review process.

b. Once a short list of candidates (less than five) for Management Area Engineer is obtained, the TMA shall hold a noticed public hearing to take comments on and consider the candidates for Management Area Engineer. The TMA shall make a reasonable effort to select the Management Area Engineer with a unanimous vote. If the TMA unanimously endorses a candidate, that nominee shall be recommended to the Court. Otherwise, the short list of candidates shall be submitted.

c. The Court shall appoint the Management Area Engineer following a noticed hearing.

4. *Funding*. The TMA shall pay for the Monitoring Program for the Santa Maria Valley Management Area, which includes the cost of the Management Area Engineer and the Annual Report. The cost of the Monitoring Program shall be divided among the Twitchell Participants on the same basis as the allocation of their Twitchell Yield.

C. Response to Varying Conditions

1. *Early Response to Avoid Severe Water Shortage Conditions*. If the Management Area Engineer determines that projected demands are expected to materially exceed projected water supplies, then the Management Area Engineer may recommend programs and projects to augment the Management Area's water supplies. The Stipulating Parties will collabo-

rate on a response based upon current conditions, but absent Severe Water Shortage Conditions, implementation of programs and projects will not be mandated.

The Stipulating Parties may voluntarily participate in any recommended program or project, either through financial or other contributions. The Stipulating Parties that contribute to such a program or project shall have a priority to the water supplies generated by that program or project with Court approval. The Stipulating Parties agree to aggressively pursue New Developed Water sources, including necessary funding.

2. *Severe Water Shortage Conditions and Response*.

(a) Determination. Severe Water Shortage Conditions shall be found to exist when the Management Area Engineer, based on the results of the ongoing Monitoring Program, finds the following: 1) groundwater levels in the Management Area are in a condition of chronic decline over a period of not less than five Years; 2) the groundwater decline has not been caused by drought; 3) there has been a material increase in Groundwater use during the five-Year period; and 4) monitoring wells indicate that groundwater levels in the Santa Maria Valley Management Area are below the lowest recorded levels.

(b) Response.

(i) If the Management Area Engineer determines that Severe Water Shortage Conditions exist within the Santa Maria Valley Management Area, the Management Area Engineer shall file and serve, as part of its Annual Report, findings and recommendations to alleviate such shortage conditions or the adverse effects caused by such water shortage.

(ii) Upon the filing of the Annual Report, the Court shall hold a noticed hearing regarding the existence and appropriate response to the Severe Water Shortage Conditions. If, after that hearing, the Court finds that Severe Water Shortage Conditions exist in the Santa Maria Valley Management Area, the Court shall first order all use of Groundwater to be limited to: (a) for Guadalupe, Santa Maria and SCWC, their Developed Water; (b) entitled Stipulating Parties to their New Developed Water; and (c) for the Overlying Owners, the Native Groundwater plus any Developed Water to which individual Overlying Owners are entitled.

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(iii) The Court may also order Stipulating Parties to address specific adverse effects caused by the Severe Water Shortage Conditions. The responses may include, but are not limited to: (a) measures recommended in the Annual Report and the related Court proceedings; and (b) other measures intended to address localized problems in the Santa Maria Valley Management Area directly related to the Severe Water Shortage Conditions.

(iv) The Court may adjust the Groundwater use limitations imposed on any Stipulating Party(ies) who implement programs or projects providing additional water supplies within the Santa Maria Valley Management Area.

(v) If the Court finds that Management Area conditions have deteriorated since it first found Severe Water Shortage Conditions, the Court may impose further limitations on Groundwater use. If the Court imposes further limitations on Groundwater use, a Stipulating Party shall be exempt from those limitations to the extent: (a) the Stipulating Party can demonstrate that it has already implemented limitations in its Groundwater use, equivalent to those ordered by the Court; or (b) the Stipulating Party can demonstrate that further limitations would not avoid or reduce the deteriorating conditions.

(vi) During Severe Water Shortage Conditions, the Stipulating Parties may make agreements for temporary transfer of rights to pump Native Groundwater, voluntary fallowing, or the implementation of extraordinary conservation measures. Transfers of Native Groundwater must benefit the Management Area and be approved by the Court.

D. Management and Administration of the Twitchell Project

1. *Operational Parameters*. All Twitchell Project operations (operation and maintenance and capital projects) will be performed consistent with the following parameters (Operational Parameters):

(a) Maximize recharge of the Santa Maria Valley Management Area from Twitchell Water, including without limitation, the avoidance of impacts on recharge resulting from ongoing accumulation of silt to the maximum extent practical.

(b) Operate the Twitchell Project in accordance with the requirements of applicable law including, without limitation, the requirements of the Bureau of Reclamation

and Army Corps of Engineers.

(c) Operate the Twitchell Project in accordance with industry standards and best management practices.

2. *Twitchell Project Manual*.

(a) The TMA will hire and pay for a professional engineering consulting firm with expertise in dam and reservoir operations and maintenance, acceptable to the District and the TMA, to develop an integrated operation and maintenance procedure manual ("Twitchell Project Manual") and provide recommendations for capital and maintenance projects that are consistent with the Operational Parameters.

(b) The District shall hold one or more public hearings to solicit input regarding the content of the Twitchell Project Manual.

(c) Within eighteen months of entry of the judgment, the TMA and the District shall adopt a final Twitchell Project Manual.

(d) Any disagreement between the District and the TMA regarding the content of the final Twitchell Project Manual shall be presented for Court review and determination pursuant to the judicial review provisions provided in this Stipulation.

(e) The District will exercise its discretionary authority to conduct all its operation and maintenance activities for the Twitchell Project in accordance with the Twitchell Project Manual.

3. *Twitchell Project Funding*.

(a) District will maintain its current operation and maintenance (O&M) assessments. These funds will be used for District staff salaries, property, equipment, rent, expenses, and other day-to-day operations, and will be expended consistent with the Twitchell Project Manual to the extent it is applicable.

(b) The TMA will separately fund, administer, construct and manage any additional Twitchell Project expenses or projects, including Capital Improvement Projects (see below) and O&M, (Extraordinary Project Operations) consistent with the Twitchell Project Manual. The TMA and the District will make reasonable efforts to work cooperatively to imple-

ment Extraordinary Project Operations.

(c) Consistent with the provisions of this Paragraph V(D), the District and the TMA shall be responsible for ensuring the ongoing operational integrity of the Twitchell Project and the maintenance of the Twitchell Yield. The Stipulating Parties expect that this ongoing responsibility may involve significant expenditures. Within 120 days of the effective date of this Stipulation, and annually thereafter, the Twitchell Participants shall establish an operating budget for the TMA to fund its responsibilities set forth in this Stipulation. For the first five years following the PUC approval as provided below, the TMA's annual budget shall be established at an amount between $500,000 to $700,000. Following the initial budgeting period, the TMA shall set its budget in three- to five-year increments, as it deems necessary to meet its obligations to preserve the Twitchell Yield. Any unused revenues shall be segregated into a reserve account, for future funding needs of the Twitchell Project. The Stipulating Parties agree to cooperate and coordinate their efforts to enable the TMA to fulfill its responsibilities as provided in this Stipulation.

4. *Twitchell Management Authority*.

(a) The TMA shall be comprised of one representative of each of the following parties: Santa Maria, Guadalupe, Southern California Water Company, the District, and Overlying Landowners holding rights to Twitchell Yield.

(b) Only those parties holding an allocation of Twitchell Yield shall be voting members of the TMA. Voting shall be based on each party's proportionate allocation of Twitchell Yield.

(c) The TMA shall be responsible for all the Extraordinary Project Operations.

(d) The TMA shall be responsible for developing proposals for Capital Improvement Projects relating to the Twitchell Project. Capital Improvement Projects shall mean projects involving the expenditure of funds for the improvement or enhancement of the Twitchell Project, but shall not include normal operation, maintenance or repair activities.

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(e) Upon the development of a proposal for a Capital Improvement Project, the TMA shall, in cooperation with the District, hold one or more public hearings to solicit input.

(f) Following the public hearing process, the TMA may vote on whether to implement the Capital Improvement Project.

(g) The cost of TMA-sponsored Extraordinary Project Operations and Capital Improvement Projects shall be divided among Twitchell Participants on the same basis as the allocation of their Twitchell Yield.

(h) The District shall assume operation and maintenance responsibility for any TMA sponsored Capital Improvement Project to the extent practical within the District's day-to-day operations.

5. *Regulatory Compliance*. The TMA or the District shall provide advance notice to the Court and all Parties of the initiation of any regulatory proceeding relating to the Twitchell Project.

6. *Existing Contracts*. The Twitchell Reservoir Project will continue to be governed by and subject to the terms and conditions of the December 1955 agreement between the District and the Santa Barbara County Water Agency and nothing in this Stipulation is intended to modify the rights or obligations provided in that agreement. To the extent that the approval of Santa Barbara County Water Agency or the United States Bureau of Reclamation is required in connection with the implementation of this Stipulation, the Stipulating Parties agree to work cooperatively to obtain such approval(s).

E. New Urban Uses – Santa Maria Valley Management Area

1. New Urban Uses shall obtain water service from the local public water supplier. The local public water supplier shall provide water service on a reasonable and non-discriminatory basis.

2. New municipal and industrial uses on land adjacent to or within one-quarter mile of the boundary line depicted in Exhibit D shall comply with any applicable Corporations Code provisions and negotiate in good faith to obtain water service from the local

public water supplier, before forming a mutual water company to provide water service.

3. No modification of land use authority. This Stipulation does not modify the authority of the entity holding land use approval authority over the proposed New Urban Uses.

4. New Urban Uses shall provide a source of supplemental water to offset the water demand associated with that development. For the purposes of this section, supplemental water shall include all sources of Developed Water, except: i) Twitchell Water, ii) storm water percolation ponds existing as of the date of entry of the judgment, or iii) Overlying Owners' right to use of surplus Developed Water.

VI. PHYSICAL SOLUTION: PROVISIONS SPECIFIC TO NIPOMO MESA MANAGEMENT AREA

As supplemented by the provisions of this Stipulation that apply to all Management Areas, the following terms shall apply to the Nipomo Mesa Management Area.

A. Supplemental Water

1. *MOU.* NCSD has entered into a Memorandum of Understanding ("MOU") with Santa Maria which contemplates the wholesale purchase and transmission from Santa Maria to the NMMA of a certain amount of water each Year (the "Nipomo Supplemental Water"). All water delivered pursuant to the MOU for delivery by NCSD to its ratepayers shall be applied within the NCSD or the NCSD's sphere of influence as it exists at the time of the transmission of that water.

2. The NCSD agrees to purchase and transmit to the NMMA a minimum of 2,500 acre-feet of Nipomo Supplemental Water each Year. However, the NMMA Technical Group may require NCSD in any given Year to purchase and transmit to the NMMA an amount in excess of 2,500 acre-feet and up to the maximum amount of Nipomo Supplemental Water which the NCSD is entitled to receive under the MOU if the Technical Group concludes that such an amount is necessary to protect or sustain Groundwater supplies in the NMMA. The NMMA Technical Group also may periodically reduce the required amount of Nipomo Supplemental Water used in the NMMA so long as it finds that groundwater supplies in the NMMA are not

endangered in any way or to any degree whatsoever by such a reduction.

3. The Stipulating Parties agree to support (and, conversely, not to oppose in any way or to encourage or assist any other Person or party in opposing or challenging) the implementation of the MOU, which includes environmental and regulatory permits and approvals, the approval of a wholesale water supply agreement between Santa Maria and NCSD, and the alignment and construction of a pipeline and related infrastructure necessary to deliver the Nipomo Supplemental Water from Santa Maria to the NMMA ("Nipomo Supplemental Water Project"). ConocoPhillips retains the right to object to or provide input on the alignment of any pipelines associated with the Nipomo Supplemental Water Project if they might interfere with the location of existing ConocoPhillips pipelines. The Stipulating Parties retain their rights to be compensated for any interest or property acquired in implementing the Nipomo Supplemental Water Project.

4. NCSD and Santa Maria shall employ their best efforts to timely implement the Nipomo Supplemental Water Project, subject to their quasi-judicial obligations specified for administrative actions and in the California Environmental Quality Act.

5. The enforcement of the provisions of Paragraph VI(D) below is conditioned upon the full implementation of the Nipomo Supplemental Water Project, including the Yearly use of at least 2,500 acre-feet of Nipomo Supplemental Water (subject to the provisions of Paragraph VI(A)(2) above) within the NMMA. In the event that Potentially Severe Water Shortage Conditions or Severe Water Shortage Conditions are triggered as referenced in Paragraph VI(D) before Nipomo Supplemental Water is used in the NMMA, NCSD, SCWC, Woodlands and RWC agree to develop a well management plan that is acceptable to the NMMA Technical Group, and which may include such steps as imposing conservation measures, seeking sources of supplemental water to serve new customers, and declaring or obtaining approval to declare a moratorium on the granting of further intent to serve or will serve letters. In the event that it becomes apparent that the Nipomo Supplemental Water will not be fully capable of being delivered, any Stipulating Party may apply to the Court, pursuant to a noticed motion, for appropriate modifications to this portion of the Stipulation and the judgment entered based upon the

terms and conditions of this Stipulation, including declaring this Paragraph VI to be null and void, and of no legal or binding effect.

6. Once the Nipomo Supplemental Water is capable of being delivered, those certain Stipulating Parties listed below shall purchase the following portions of the Nipomo Supplemental Water Yearly:

NCSD - 66.68%

Woodlands Mutual Water Company - 16.66%

SCWC - 8.33%

RWC - 8.33%

B. Rights to Use Groundwater

1. ConocoPhillips and its successors-in-interest shall have the right to the reasonable and beneficial use of Groundwater on the property it owns as of the date of this Stipulation located in the NMMA ("ConocoPhillips Property") without limitation, except in the event the mandatory action trigger point (Severe Water Shortage conditions) described in Paragraph VI(D) (2) below is reached. Further, any public water supplier which provides water service to the ConocoPhillips Property may exercise that right subject to the limitation described in Paragraph VI(D)(2).

2. Overlying Owners that are Stipulating Parties that own land located in the NMMA as of the date of this Stipulation shall have the right to the reasonable and beneficial use of Groundwater on their property within the NMMA without limitation, except in the event the mandatory action trigger point (Severe Water Shortage Conditions) described in Paragraph VI(D)(2) below is reached.

3. The Woodlands Mutual Water Company shall not be subject to restriction in its reasonable and beneficial use of Groundwater, provided it is concurrently using or has made arrangements for other NMMA parties to use within the NMMA, the Nipomo Supplemental Water allocated to the Woodlands in Paragraph VI(A)(5). Otherwise, the Woodlands Mutual Water Company shall be subject to reductions equivalent to those imposed on NCSD, RWC and SCWC, as provided in Paragraph VI(D)(1-2).

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C. NMMA Technical Group

1. The NMMA Technical Group shall include representatives appointed by NCSD, SCWC, ConocoPhillips, Woodlands Mutual Water Company and an agricultural Overlying Owner who is also a Stipulating Party.

2. The NMMA Technical Group shall develop a Monitoring Program for the NMMA ("NMMA Monitoring Program"), which shall be consistent with the Monitoring Program described in Paragraph IV(D). The NMMA Monitoring Program shall also include the setting of well elevation and water quality criteria that trigger the responses set forth in Paragraph D below. The Stipulating Parties shall provide monitoring and other production data to the NMMA Technical Group at no charge, to the extent that such data has been generated and is readily available. The NMMA Technical Group shall adopt rules and regulations concerning measuring devices and production reports that are, to the extent feasible, consistent with the Monitoring Programs for other Management Areas. If the NMMA Technical Group is unable to agree on any aspect of the NMMA Monitoring Program, the matter may be resolved by the Court pursuant to a noticed motion.

3. The NMMA Technical Group meetings shall be open to any Stipulating Party. NMMA Technical Group files and records shall be available to any Stipulating Party upon written request. Notices of the NMMA Technical Group meetings, as well as all its final work product (documents) shall be posted to groups.yahoo.com/group/NipomoCommunity/

4. The NMMA Technical Group functions shall be funded by contribution levels to be negotiated by NCSD, SCWC, RWC, ConocoPhillips, and Woodlands Mutual Water Company. In-lieu contributions through engineering services may be provided, subject to agreement by those parties. The budget of the NMMA Technical Group shall not exceed $75,000 per year without prior approval of the Court pursuant to a noticed motion.

5. Any final NMMA Technical Group actions shall be subject to *de novo* Court review by motion.

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D. Potentially Severe and Severe Water Shortage Conditions

1. Caution trigger point (Potentially Severe Water Shortage Conditions)

(a) Characteristics. The NMMA Technical Group shall develop criteria for declaring the existence of Potentially Severe Water Shortage Conditions. These criteria shall be approved by the Court and entered as a modification to this Stipulation or the judgment to be entered based upon this Stipulation. Such criteria shall be designed to reflect that water levels beneath the NMMA as a whole are at a point at which voluntary conservation measures, augmentation of supply, or other steps may be desirable or necessary to avoid further declines in water levels.

(b) Responses. If the NMMA Technical Group determines that Potentially Severe Water Shortage Conditions have been reached, the Stipulating Parties shall coordinate their efforts to implement voluntary conservation measures, adopt programs to increase the supply of Nipomo Supplemental Water if available, use within the NMMA other sources of Developed Water or New Developed Water, or implement other measures to reduce Groundwater use.

2. Mandatory action trigger point (Severe Water Shortage Conditions)

(a) Characteristics. The NMMA Technical Group shall develop the criteria for declaring that the lowest historic water levels beneath the NMMA as a whole have been reached or that conditions constituting seawater intrusion have been reached. These criteria shall be approved by the Court and entered as a modification to this Stipulation or the judgment to be entered based upon this Stipulation.

(b) Responses. As a first response, subparagraphs (i) through (iii) shall be imposed concurrently upon order of the Court. The Court may also order the Stipulating Parties to implement all or some portion of the additional responses provided in subparagraph (iv) below.

(i) For Overlying Owners other than Woodlands Mutual Water Company and ConocoPhillips, a reduction in the use of Groundwater to no more than 110% of

the highest pooled amount previously collectively used by those Stipulating Parties in a Year, prorated for any partial Year in which implementation shall occur, unless one or more of those Stipulating Parties agrees to forego production for consideration received. Such forbearance shall cause an equivalent reduction in the pooled allowance. The base Year from which the calculation of any reduction is to be made may include any prior single Year up to the Year in which the Nipomo Supplemental Water is transmitted. The method of reducing pooled production to 110% is to be prescribed by the NMMA Technical Group and approved by the Court. The quantification of the pooled amount pursuant to this subsection shall be determined at the time the mandatory action trigger point (Severe Water Shortage Conditions) described in Paragraph VI(D)(2) is reached. The NMMA Technical Group shall determine a technically responsible and consistent method to determine the pooled amount and any individual's contribution to the pooled amount. If the NMMA Technical Group cannot agree upon a technically responsible and consistent method to determine the pooled amount, the matter may be determined by the Court pursuant to a noticed motion.

(ii) ConocoPhillips shall reduce its Yearly Groundwater use to no more than 110% of the highest amount it previously used in a single Year, unless it agrees in writing to use less Groundwater for consideration received. The base Year from which the calculation of any reduction is to be made may include any prior single Year up to the Year in which the Nipomo Supplemental Water is transmitted. ConocoPhillips shall have discretion in determining how reduction of its Groundwater use is achieved.

(iii) NCSD, RWC, SCWC, and Woodlands (if applicable as provided in Paragraph VI(B)(3) above) shall implement those mandatory conservation measures prescribed by the NMMA Technical Group and approved by the Court.

(iv) If the Court finds that Management Area conditions have deteriorated since it first found Severe Water Shortage Conditions, the Court may impose further mandatory limitations on Groundwater use by NCSD, SCWC, RWC and the Woodlands. Mandatory measures designed to reduce water consumption, such as water reductions, water restrictions, and rate increases for the purveyors, shall be considered.

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(v) During Severe Water Shortage Conditions, the Stipulating Parties may make agreements for temporary transfer of rights to pump Native Groundwater, voluntary fallowing, or the implementation of extraordinary conservation measures. Transfer of Native Groundwater must benefit the Management Area and be approved by the Court.

E. New Urban Uses

1. Within the sphere of influence or service area. New Urban Uses shall obtain water service from the local public water supplier. The local public water supplier shall provide water service on a reasonable and non-discriminatory basis.

2. Outside the sphere of influence or service area. New municipal and industrial uses on land adjacent to or within one quarter mile of the boundary line depicted in Exhibit D shall comply with any applicable Corporations Code provisions, including good faith negotiations with the local water purveyor(s), prior to forming a mutual water company to provide water service.

3. The ConocoPhillips property, owned as of the date of this Stipulation and located within the NMMA, is not in the sphere of influence or service area, nor is it in the process of being included in the sphere of influence, of a municipality or within the certificated service area of a publicly regulated utility as of the date of this Stipulation, nor is it adjacent to or in close proximity to the sphere of influence of a municipality or the certificated service area of a publicly regulated utility as of the date of this Stipulation, as those terms are used in Paragraphs VI(E)(1 and 2).

4. No modification of land use authority. This Stipulation does not modify the authority of the entity holding land use approval authority over the proposed New Urban Uses.

5. New Urban Uses as provided in Paragraph VI(E)(1) above and new municipal and industrial uses as provided in Paragraph VI(E)(2) above shall provide a source of supplemental water, or a water resource development fee, to offset the water demand associated with that development. For the purposes of this Paragraph, supplemental water shall include all sources of Developed Water or New Developed Water.

VII. PHYSICAL SOLUTION: PROVISIONS SPECIFIC TO NORTHERN CITIES MANAGEMENT AREA

These terms, supplemented by the provisions of this Stipulation that apply to all Management Areas, govern water rights and resources in the Northern Cities Management Area.

1. Groundwater Monitoring. Groundwater monitoring in the Northern Cities Management Area will be conducted by the Northern Cities in the manner described above.

2. Lopez Project. The Lopez Project will continue to be managed by the SLO District. The Northern Cities and Landowners will continue to bear costs of the Lopez Reservoir and no costs of the Twitchell Reservoir.

3. Independent Management Per Settlement Agreement.

(a) Existing Groundwater, SWP Water and Storage Space in the Northern Cities Management Area will continue to be allocated and independently managed by the Northern Parties in accordance with the Northern Cities and Northern Landowners' 2002 Settlement Agreement (Exhibit "E") for the purpose of preserving the long-term integrity of water supplies in the Northern Cities Management Area. That Settlement Agreement initially allocates 57% of the safe yield of groundwater in Zone 3 to the farmers and 43% to the cities; and it provides *inter alia* that any increase or decrease in the safe yield will be shared by the cities and landowners on a pro rata basis. That Settlement Agreement is reaffirmed as part of this Stipulation and its terms are incorporated into this Stipulation, except that the provisions regarding continuing jurisdiction (¶ 4), groundwater monitoring, reporting, and the Technical Oversight Committee (¶¶ 7-20) are canceled and superseded by the provisions of this Stipulation dealing with those issues.

(b) Without the written agreement of each of the Northern Cities, no party other than Northern Parties shall have any right to:

(i) pump, store, or use Groundwater or surface water within the Northern Cities Management Area; or

(ii) limit or interfere with the pumping, storage, management or usage of Groundwater or surface water by the Northern Parties within the Northern Cities

Management Area.

(c) For drought protection, conservation, or other management purposes, the Northern Parties may engage in contractual transfers, leases, licenses, or sales of any of their water rights, including voluntary fallowing programs. However, no Groundwater produced within the Northern Cities Management Area may be transported outside of the Northern Cities Management Area without the written agreement of each of the Northern Cities.

4. Current and future deliveries of water within the spheres of influence of the Northern Cities as they exist on January 1, 2005 shall be considered existing uses and within the Northern Cities Management Area.

VIII. INJUNCTION – ALL MANAGEMENT AREAS

A. Use Only Pursuant to Stipulation

Each and every Stipulating Party, their officers, agents, employees, successors and assigns, are enjoined and restrained from exercising the rights and obligations provided through this Stipulation in a manner inconsistent with the express provisions of this Stipulation.

B. Injunction Against Transportation From the Basin

Except upon further order of the Court, each and every Stipulating Party and its officers, agents, employees, successors and assigns, is enjoined and restrained from transporting Groundwater to areas outside the Basin, except for those uses in existence as of the date of this Stipulation; provided, however, that Groundwater may be delivered for use outside the Basin as long as the wastewater generated by that use of water is discharged within the Basin, or agricultural return flows resulting from that use return to the Basin.

C. No Third Party Beneficiaries

This Stipulation is intended to benefit the Stipulating Parties and no other Parties. Only a Stipulating Party may enforce the terms of this Stipulation or assert a right to any benefits of, or enforce any obligations contained in this Stipulation.

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IX. RESERVED JURISDICTION – ALL MANAGEMENT AREAS

A. Reserved Jurisdiction; Modifications, Cancellations, Amendments

Jurisdiction, power and authority are retained by and reserved to the Court as set forth in this Paragraph. Nothing in the Court's reserved jurisdiction shall authorize modification, cancellation or amendment of the rights provided under Paragraphs III; V(A, E); VI(A, B, D); VII(2, 3); VIII(A); IX(A, C); and X(A, D) of this Stipulation. Subject to this limitation, the Court shall make such further or supplemental orders as may be necessary or appropriate regarding the following:

1. enforcement of this Stipulation;
2. claims regarding waste/unreasonable use of water;
3. disputes between Stipulating Parties across Management Area boundaries;
4. interpretation and enforcement of the judgment;
5. consider the content or implementation of a Monitoring Program;
6. consider the content, conclusions, or recommendations contained in an Annual Report;
7. consider Twitchell Project operations, including, but not limited to: i) the content of the Twitchell Project Manual; ii) TMA or District compliance with the Twitchell Project Manual; iii) decisions to implement Extraordinary Project Operations; or iv) the maintenance of Twitchell Yield;
8. claims of localized physical interference between the Stipulating Parties in exercising their rights pursuant to this Stipulation; provided, however, rights to use Groundwater under this Stipulation shall have equal status; and
9. modify, clarify, amend or amplify the judgment and the Northern Parties Settlement Agreement; Provided, however, that all of the foregoing shall be consistent with the spirit and intent of this Stipulation.

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B. Noticed Motion

Any party that seeks the Court's exercise of reserved jurisdiction shall file a noticed motion with the Court. Any noticed motion shall be made pursuant to the Court's Order Concerning Electronic Service of Pleadings and Electronic Posting of Discovery Documents dated June 27, 2000, attached and incorporated as Exhibit "G". Any request for judicial review shall be filed within sixty days of the act or omission giving rise to the claim. Upon a showing of good cause, the Court may extend the sixty-day time limitation.

C. *De Novo* Nature of Proceeding

The Court shall exercise *de novo* review in all proceedings. The actions or decisions of any Party, the Monitoring Parties, the TMA, or the Management Area Engineer shall have no heightened evidentiary weight in any proceedings before the Court.

D. Filing and Notice

As long as the Court's electronic filing system remains available, all Court filings shall be made pursuant to Exhibit "G". If the Court's electronic filing system is eliminated and not replaced, the Stipulating Parties shall promptly establish a substitute electronic filing system and abide by the same rules as contained in the Court's Order.

X. MISCELLANEOUS PROVISIONS – ALL MANAGEMENT AREAS

A. Unenforceable Terms

The Stipulating Parties agree that if any provision of this Stipulation or the judgment entered based on this Stipulation is held to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect; provided, however, any order which invalidates, voids, deems unenforceable, or materially alters those Paragraphs enumerated in Paragraph IX(A) or any of them, shall render the entirety of the Stipulation and the judgment entered based on this Stipulation voidable and unenforceable, as to any Stipulating Party who files and serves a motion to be released from the Stipulation and the judgment based upon the Stipulation within sixty days of entry of that order, and whose motion is granted upon a showing of good cause.

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B. Water Quality

Nothing in the Stipulation shall be interpreted as relieving any Stipulating Party of its responsibilities to comply with state or federal laws for the protection of water quality or the provisions of any permits, standards, requirements, or orders promulgated thereunder.

C. Duty to Cooperate

The Stipulating Parties agree not to oppose, or in any way encourage or assist any other party in opposing or challenging, any action, approval, or proceeding necessary to obtain approval of or make effective this Stipulation or the judgment to be entered on terms consistent with this Stipulation.

D. Stipulating Parties Under Public Utilities Commission Regulation

1. To the extent allowed by law, SCWC and RWC shall comply with this Stipulation, prior to obtaining California Public Utilities Commission ("PUC") approval. If the PUC fails to approve SCWC's and RWC's participation or fails to provide approval of the necessary rate adjustments so that SCWC and RWC may meet their respective financial obligations, including the participation in Developed Water projects, Monitoring Programs, TMA and as otherwise provided in this Stipulation, shall render the entirety of the Stipulation and those terms of any judgment based on this Stipulation invalid, void and unenforceable, as to any Stipulating Party who files and serves a notice of rescission within sixty days of notice by SCWC or RWC of a final PUC Order.

2. Any Party, or its successors or assigns, agreeing to become a new customer of SCWC or RWC, or an existing customer proposing to increase its water use through a change in land use requiring a discretionary land use permit or other form of land use entitlement, that has not executed reservation contracts for supplemental water as specified in Exhibit F will provide the following, once approved by the PUC:

(a) If in the Santa Maria Valley Management Area, a water resource development fee as specified in Exhibit F or a source of supplemental water sufficient to offset the consumptive demand associated with the new use as provided in Paragraph V(E); or

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(b) If in the NMMA, a water resource development fee, or a source of supplemental water sufficient to offset the consumptive demand associated with the new use.

3. Any Person who is not engaged in a New Urban Use and who agrees to become a customer of SCWC or RWC shall retain its right to contest the applicable water resource development fee, should that fee ever become applicable to that Person.

E. Designation of Address, for Notice and Service

Each Stipulating Party shall designate the name, address and e-mail address, if any, to be used for purposes of all subsequent notices and service, either by its endorsement on the Stipulation for entry of judgment or by a separate designation to be filed within thirty days after execution of this Stipulation. This designation may be changed from time to time by filing a written notice with the Court. Any Stipulating Party desiring to be relieved of receiving notices may file a waiver of notice on a form approved by the Court. The Court shall maintain at all times a current list of Parties to whom notices are to be sent and their addresses for purposes of service. The Court shall also maintain a full current list of names, addresses, and e-mail addresses of all Parties or their successors, as filed herein. Copies of such lists shall be available to any Person. If no designation is made, a Stipulating Party's designee shall be deemed to be, in order of priority: i) the Party's attorney of record; ii) if the Party does not have an attorney of record, the Party itself at the address specified.

F. No Loss of Rights

Nothing in this Stipulation shall be interpreted to require or encourage any Stipulating Party to use more water in any Year than is actually required. As between the Stipulating Parties, failure to use all of the water to which a Stipulating Party is entitled hereunder shall not, no matter how long continued, be deemed or constitute an abandonment or forfeiture of such Stipulating Party's rights, in whole or in part.

G. Intervention After Judgment

Any Person who is not a Party or successor to a Party, who proposes to use Groundwater or Storage Space, may seek to become a Party to the judgment through a petition for intervention. The Court will consider an order confirming intervention following thirty days notice to the

Parties. Thereafter, if approved by the Court, such intervenor shall then be a Party bound by the judgment as provided by the Court.

H. Stipulation and Judgment Binding on Successors, Assigns, etc.

The Stipulating Parties agree that all property owned by them within the Basin is subject to this Stipulation and the judgment to be entered based upon the terms and conditions of this Stipulation. This Stipulation and the judgment will be binding upon and inure to the benefit of each Stipulating Party and their respective heirs, executors, administrators, trustees, successors, assigns, and agents. This Stipulation and the judgment to be entered based the terms and conditions of this Stipulation shall not bind the Stipulating Parties that cease to own property within the Basin, or cease to use Groundwater. As soon as practical after the effective date of this Stipulation, a memorandum of agreement referencing this Stipulation shall be recorded in Santa Barbara and San Luis Obispo Counties by Santa Maria, in cooperation with the Northern Cities and SCWC. The document to be recorded shall be in the format provided in Exhibit "H".

I. Costs

No Stipulating Party shall recover any costs or attorneys fees from another Stipulating Party incurred prior to the entry of a judgment based on this Stipulation.

J. Non-Stipulating Parties

It is anticipated that the Court will enter a single judgment governing the rights of all Parties in this matter. The Stipulating Parties enter into this Stipulation with the expectation that the Court will enter, as a part of the judgment, the terms and conditions of this Stipulation. This Stipulation shall not compromise, in any way, the Court's legal and equitable powers to enter a single judgment that includes provisions applicable to the non-Stipulating Parties that may impose differing rights and obligations than those applicable to the Stipulating Parties. As against non-Stipulating Parties, each Stipulating Party expressly reserves and does not waive its right to appeal any prior or subsequent ruling or order of the Court, and assert any and all claims and defenses, including prescriptive claims. The Stipulating Parties agree they will not voluntarily enter into a further settlement or stipulation with non-Stipulating Parties that provides those non-Stipulating Parties with terms and conditions more beneficial than those provided to similarly

situated Stipulating Parties.

K. Counterparts

This Stipulation may be signed in any number of counterparts, including counterparts by facsimile signature, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument. The original signature pages shall be filed with Court.

L. Effective Date

This Stipulation shall be effective when signed by the Stipulating Parties listed on Exhibit "A" and accepted by the Court.

Party	**Signature, title, and date**	**Parcels Subject to Stipulation**
Attorney of Record	**Approved as to form:** By:_____ Date:_____	

PROOF OF SERVICE

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is HATCH & PARENT, 21 E. Carrillo Street, Santa Barbara, California 93101.

Pursuant to the Court's Order dated June 28, 2000, I, Gina Lane, did the following:

- Posted the following document at approximately 4:30 p.m. on June 30, 2005.

  STIPULATION (JUNE 30, 2005 VERSION)

- Mailed a Notice of Availability to all parties (designating or defaulting to mail service) on the current website's service list.

I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on June 30, 2005, at Santa Barbara, California.

GINA M. LANE

EXHIBIT A

Stipulating Parties and Parcels of Land Bound by Terms of Stipulation

Santa Maria Valley Water Conservation District v. City of Santa Maria
Santa Clara County Superior Court Case No. CV 770214

Awaiting complete list of Stipulating Parties

EXHIBIT B

Phase I and II Orders (as modified) and Santa Maria Basin Map

Santa Maria Valley Water Conservation District v. City of Santa Maria
Santa Clara County Superior Court Case No. CV 770214

[ORIGINAL FILED ON 01-09-02001]

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SANTA CLARA

DEPARTMENT 17

SANTA MARIA VALLEY WATER CONSERVATION DISTRICTS, A PUBLIC ENTITY,) NIPOMO COMMUNITY SERVICES Plaintiff,	) Case No. CV 770214) ORDER AFTER HEARING GRANTING) DISTRICT'S MOTION FOR SUMMARY ADJUDICATION
vs.	
CITY OF SANTA MARIA, A MUNICIPAL CORPORATION, ET AL.	
AND RELATED CROSS-ACTIONS.	

The above-entitled matter came on regularly for hearing on January 8, 2001, at 1:30 p.m., the Honorable Conrad L. Rushing presiding. Counsel Robert Dougherty appeared on behalf of the Land Owner Group Parties and Steven Saxton, appeared on behalf of Plaintiffs and James Markman appeared on behalf of Nipomo Community Services District, Henry Weinstock appeared on behalf of Northern Cities and Ryan Bezzera appeared on behalf of Rancho Maria, et al. The Court, having read and considered the supporting and opposing papers, and having heard and considered the arguments of counsel, and good cause appearing therefor, makes the following order:

IT IS ORDERED THAT:

Nipomo Community Services District's Motion for Summary Adjudication is GRANTED. The Court grants all joinders. Based on the Land Owner Group's concession that the adoption of the "Foreman Line" is appropriate, as well as the concession offered by Mr. Slade that he does not disagree with Mr. Foreman on the "outermost" basin boundary, the Court finds that there is no triable issue of material fact as to the "outermost" basin boundary as articulated in the Declaration of Terry Foreman, dated December 8, 2000, and as depicted on Exhibit 1 thereto[1]. (See Nipomo's Statement of Material Fact #3, evidence in support and in opposition thereto.) Therefore, the moving parties are entitled to judgment on all affirmative defenses dealing with uncertainty of the basin boundaries.

The Court finds that the outermost lateral boundary of the Santa Maria Valley Groundwater Basin ("the Basin") lies along a type of material that does not readily transmit water, that is, for the purposes of this case, it is impermeable (impermeable is used here to mean only that the rocks, sediments and other materials do not *readily* transmit water). Thus, material (rock, sediments, sand, etc.) that do readily transmit water are within the basin.

Those that do not readily store and transmit water are the Foxen Formation or older, including the Franciscan Formation, the Knoxville Formation, the Monterey Formation, the Obispo Formation, and the Sisquoc Formation; and those that do readily store and transmit water are the Careaga Sandstone or younger, including the Careaga Formation, the Pismo Formation, the Paso Robles Formation, time-

[1]The boundary described herein is shown on that certain map marked Exhibit 1, by a black dash double dot line and said Exhibit is in evidence and a part of this Order.

equivalent Paso Robles Formation, Orcutt Formation, terrace deposits, young and old alluvium, and dune and sand deposits, with the following three exceptions:

a. The southern boundary along the Solomon Hills is located on the axis of antic lines where the Careaga Sandstone and Paso Robles Formation dip in the Basin on the north side of the axis and dip into a separate basin, the San Antonio Basin, on the south side of the axis;

b. Where the Basin boundary crosses tributary streams, the boundary is located across the mouth of each such stream to directly connect the closest bedrock contacts on each side of that stream; and,

c. The western boundary of the Basin is the Pacific Ocean.

The vertical boundary of the Basin is located at the contact between those rocks and sediments that readily store and transmit water (generally, the Careaga Formation and younger) and those rocks and sediments that do not readily store and transmit water (generally, the Foxen Formation and older) as described above in reference to the lateral boundary of the Basin, except that in the northeast portion of the area north of the Santa Maria River, the vertical Basin boundary extends to the base of the Obispo tuffs of the Obispo Formation. The Obispo tuffs underlie the alluvium of the Nipomo Valley, and extend beneath the Paso Robles Formation northerly to the Arroyo Grande Valley.

SO ORDERED.

Dated: January 9, 2001

[ORIGINAL SIGNED]
CONRAD L. RUSHING

CMS

FILED

DEC 21 2001

KIRI TORRE
Chief Executive Officer
Superior Courts of California, County of Santa Clara
BY _____ DEPUTY

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SANTA CLARA

DEPARTMENT 17C

SANTA MARIA VALLEY WATER CONSERVATION DISTRICTS, a public entity, Plaintiff, vs. CITY OF SANTA MARIA , a municipal corporation, et al., Defendants, AND RELATED CROSS-ACTIONS	Case No. CV 770214 ORDER AFTER HEARING RE: TRIAL (PHASE II) Hearing Date: October 9, 2001 Time: 8:45 a.m. Dept.: 17C Judge: Hon. Conrad L. Rushing

Trial of Phase II of the above-entitled matter came on regularly on October 9, 2001, at 10:00 a.m., the Honorable Conrad L. Rushing presiding. The Court, having considered the testimony, declarations and exhibits, and good cause appearing therefor, issues the following decision and order:

Plaintiff's motion for an order establishing the geographic area constituting the Santa Maria Groundwater Basin (hereinafter "Basin"), for the purposes of this case, is hereby GRANTED.

The Court finds that the boundary of the Basin is that described on the map filed as Exhibit 5 with the Declaration of Robert C. Wagner dated November 20, 2001 (which can be found currently at http://www.sccomplex.org/docfiles/QD0CB28E06D5.pdf), hereinafter referred to as the

"Boundary Line." Each of the parties to the Phase II proceedings on October 9, 2001, stipulated to the Court's determining the Boundary Line of the Basin. The Basin shall also include for purposes of adjudication herein all those parcels of land, which are shown on the said Exhibit 5 and listed on Exhibit 6 to the said Declaration of Robert C. Wagner, which either touch or are intersected by the Boundary Line, to the full extent of the perimeter of such parcels. The Court has not at this time received full briefing as to whether there are legal issues as to such parcels which touch or are intersected by the Boundary Line, concerning whether owners of such parcels may appropriate water from the Basin for the use of the remainder of the subject parcels, whether the owners of such parcels are considered to be landowners or purveyors, or whether their rights to extract or export water are affected by their parcels not being fully within the Basin. Thus, at this time, until further order, the Court orders that those parcels are to be considered within the Basin.

The Court finds on the basis of the evidence presented that the Boundary Line demarcates the boundary of the Basin, and that the Basin constitutes the area beneath which groundwater exists in sufficient quantities to be meaningfully included in this lawsuit. The Court also finds that the area previously included in the "outermost basin boundary," but excluded by the Boundary Line, contains potentially water-bearing materials, but nevertheless lacks actual groundwater in amounts sufficient to justify including that area in this case for purposes of adjudicating the various claims to groundwater in the Basin. Owners of lands beneath which no significant groundwater supply exists do not have property right claims concerning such water that present a justiciable issue. Similarly, owners of lands beneath which no significant groundwater supply exists should not be permitted to assert, by virtue of their ownership of such lands, claims respecting groundwater supplies underlying adjacent or nearby lands.

The Court further finds that the Declaration of Robert C. Wagner dated November 20, 2001, attached to this Order, along with Mr. Wagner's map and table of parcels, attached as Exhibits 5 and 6, set forth sufficient detail regarding the specific parcels traversed by the Basin Boundary Line so as to apprise potentially affected landowners and other interested parties of the location of the Basin and Boundary Line fixed by this Order. A digital rendition of the map prepared by Mr. Wagner to depict affected parcels is posted for inspection on the Court's website.

The Court determines that only the lands, groundwater extraction claims and claims to groundwater storage rights within the Boundary Line shall be subject to claims in this lawsuit. The Court has considered the possibility that ground water charging and storage might extend the boundaries of the basin but finds at this point that there is insufficient evidence of that affecting the prospective orders to be made by this Court.

The motion of the Northern Cities (joined by other parties) that the Northern Cities Area be conditionally severed from this litigation, is denied. The Northern Cities Area is also shown on the map which is attached as Exhibit 5 to the Declaration of Wagner. That area shall remain within the Basin and Boundary Line fixed in this Order. The Court finds that a comprehensive judgment in this litigation is advisable and necessary, in that only such a comprehensive judgment would prevent later litigation of the same issues, prevent the risk of rulings which are inconsistent, and prevent erroneous rulings which may be affected by facts which would be adduced if the interests of all parties who may be affected by these rulings were represented and involved throughout this litigation. Cases cited by the proponents of severance can also be read as indicating that retaining the Northern Cities Area in the litigation is necessary to render an effective judgment. Orange County Water District v. City of Riverside (1959) 173 Cal.App.2d 137, 173 ("Undoubtedly the preferable course is, so far at least as is practicable, to 'have all owners of lands on the watershed and all appropriators who use water in court at the same time'"); City of Chino v. Superior Court (1967) 255 Cal.App.2d 747, 752 ("Because of the failure of OCWD in that earlier suit to join as defendants all claimants to prescriptive rights to water from the Upper and Middle Basins, many questions were left unanswered").

The Court has listened to the testimony and read the exhibits submitted, and additionally the supplemental memorandum of Richard C. Slade and supplemental declaration of Terry L. Foreman. The Court finds that there is no substantial controversy that the Northern Cities Area, the Nipomo Mesa and the Santa Maria Valley area all overlie one large groundwater basin. Each area is subject to the same general climatologic and hydrologic conditions. The Court concludes there are no geologic or hydrologic features that separate the Northern Cities Area from the remainder of the Basin encompassed by this litigation. The Court must consider that the water rights to be

determined in this litigation will apply to situations that might occur in other than a "best case' scenario. Future conditions could produce adverse impacts, such as drought, earthquake, failure of the Lopez Reservoir, or failure of the Northern Cities for other reasons to adhere to the so-called 'gentlemen's agreement" governing groundwater pumping in the Northern Cities Area. Representatives of the Northern Cities failed to stipulate to quieting title in other parties who have sued the Northern Cities for whatever rights they may possess, and failed to stipulate that they would desist from claiming water rights in the remainder of the Basin in such an eventuality. Indeed, it appears from the testimony that groundwater pumping in the Northern Cities area can potentially increase the flow of water to it from other parts of the Basin.

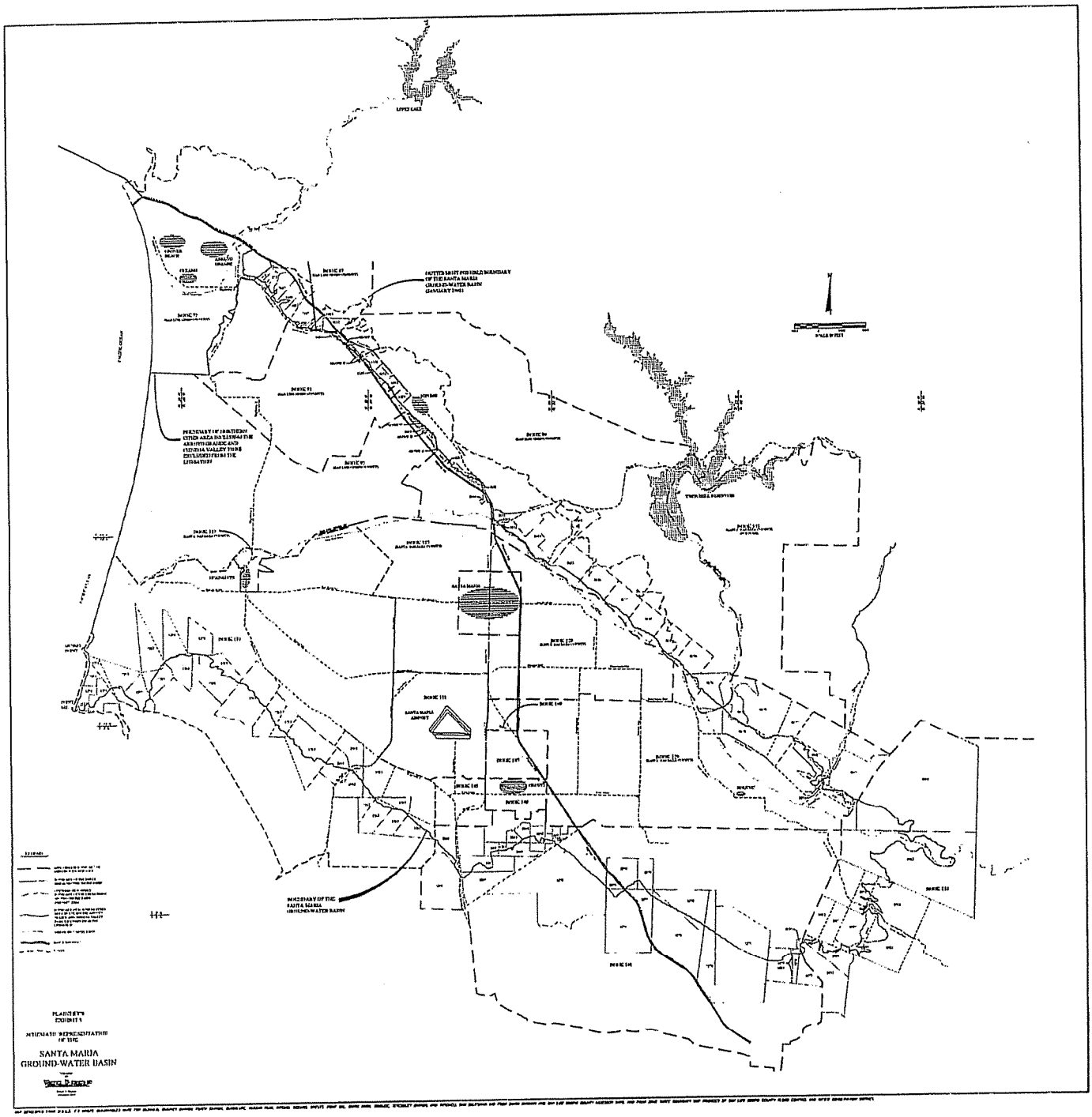
The parties reluctance to retain the Northern Cities area in the litigation appears to stem from the prospect of joining and serving all landowners in the Northern Cities area whose rights may potentially be affected. It may be possible, however, to obtain effective representation and due process for such landowners by means of a class action, after due notice is provided, in which such landowners are a defendant class. United States v. Truckee-Carson Irrigation District (D.Nev. 1975) 71 F.R.D. 10. The Court would entertain a motion to amend the cross-complaints or other pleadings to join the landowners in that area as a defendant class, represented by a handful of interested landowners who are similarly situated, in lieu of joinder of each owner. The Court would also entertain a motion, briefing and argument as to why it may be inappropriate or inconvenient to adjudicate the matter by means of a defendant class.

Any litigant now in the action who is asserting a quiet title claim concerning property outside of the Boundary Line must move for severance of that claim from this action and must file such a motion on or before thirty (30) days following service of this Order. Any such claims for which no motion to sever is filed will be dismissed without prejudice on motion of any party or by the Court on its own motion.

SO ORDERED.

Dated DEC 21 2001

CONRAD L. RUSHING
Judge of the Superior Court


PLAINTIFF'S
EXHIBIT
SANTA MARIA
GROUND-WATER BASIN

ONS

FILED

JAN 2 5 2002

KIRI TORRE
Chief Executive Officer
Superior Court of California, County of Santa Clara
BY KATHLEEN BATTALLER DEPUTY

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SANTA CLARA

DEPARTMENT 17C

SANTA MARIA VALLEY WATER CONSERVATION DISTRICTS, a public entity,

Plaintiff,

vs.

CITY OF SANTA MARIA , a municipal corporation, et al.,

Defendants,

AND RELATED CROSS-ACTIONS

Case No. CV 770214

ORDER WITH RESPECT TO BRIEF OF CONOCO, INC., NUEVO ENERGY COMPANY, AERA ENERGY LLC, TEXACO EXPLORATION AND PRODUCTION, INC. AND CHEVRON USA, INC.

IT IS HEREBY ORDERED:

The Court shall not be holding a hearing with respect to the brief of Conoco, Inc., Nuevo Energy Company, Aera Energy LLC, Texaco Exploration And Production Inc., and Chevron USA Inc., or request for clarification requested therein. The Court finds that the request for clarification found in the Conclusion section of the said Brief appears to restate what was intended by the Court's Order filed December 21, 2002. The parties may consider the Order to be so clarified if it aids in further proceedings in this matter.

SO ORDERED.

Dated: JAN 2 5 2002

CONRAD L. RUSHING
Judge of the Superior Court

TOTAL P.01

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Attorneys for Cross-Defendants, Conoco Inc., Nuevo Energy Company, Aera Energy LLC and ChevronTexaco

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SANTA CLARA

SANTA MARIA VALLEY WATER CONSERVATION DISTRICT, a public entity, Plaintiff, vs. CITY OF SANTA MARIA, et al Defendants. AND RELATED CROSS-ACTIONS	SANTA MARIA GROUNDWATER LITIGATION Lead Case No. CV 770214 Judge Conrad L. Rushing

BRIEF OF CONOCO, INC., NUEVO ENERGY COMPANY, AERA ENERGY LLC, TEXACO EXPLORATION AND PRODUCTION INC., AND CHEVRON USA INC.

I.

INTRODUCTION

This Brief is filed on behalf of Defendants/Cross-Complainants Conoco Inc., Nuevo Energy Company, Aera Energy LLC and Texaco Exploration and Production Inc. and Chevron USA Inc,

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(recently merged and hereinafter known as ChevronTexaco), (collectively referred to as ""Oil Group") parties.

On January 8, 2001, this Court entered its order after hearing granting the Santa Maria Valley Water Conservation District and Nipomo Community Service District's motion for summary judgment. The Oil Group joined in that motion as a moving party. The Court ruled that "the moving parties are entitled to judgment on all affirmative defenses dealing with uncertainty of the basin boundaries.[1] (Summary Judgment Order, page 2.) More particularly, this Court adjudged, declared and decreed in its January 9, 2001 Order that the "outermost lateral boundary of the Santa Maria Valley Groundwater Basin ("Basin") lies along a type of material that does not readily transmit water . . . [and that] material (rock, sediments, sand, etc.) that do readily transmit water are within the basin". (Id.) Further, that there was "no triable issue of material fact as to the `outermost' basin boundary as articulated in the Declaration of Terry Foreman, dated December 8, 2000, and as depicted on Exhibit 1 thereto". [2] (Id.)

The Court's Case Management Order No. 6, dated January 9, 2001, provided that "this Court ordered that the hydrogeological boundaries of the . . . Basin . . . be adjudicated separately as the Phase I; of this action. The Court now finds that there is need to determine the boundaries of the area to be adjudicated in this case in order to determine which parties should be excluded from or included in it." (Case Management Order No. 6, page 1) Further, that "Phase II, will decide the limits of the area that will be included in this groundwater adjudication and the areas . . . that may be excluded from this case . . .". (Id.)

---

[1] The Oil Group parties alleged as a affirmative defense, as against each cross-complainant, that the Santa Maria Basin boundary as alleged in the cross-complaints were insufficiently described and were therefore insufficient on grounds of uncertainty. The Oil Group requests this Court to take judicial notice of such affirmative defenses alleged in each answer to the cross-complaints on file with this Court pursuant to Evidence Code Section 452(d).

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This Court has now rendered its decision and order, in part providing, that the Santa Maria Valley Conservation District's motion for an order "establishing the geographic area constituting the . . . Basin . . . for the purposes of this case, is hereby GRANTED.". (Order, page 2) In sum, the Court stated that it "finds the boundary of the Basin is that described on the map field as Exhibit 5 with the Declaration of Robert C. Wagner, dated November 20, 2001." (Id.)

This brief is prepared pursuant to this Court's December 21, 2001 Order After Hearing Re: Trial (Phase II) ("Order") requesting receipt of full briefing as to whether there are legal issues raised with regard to parcels which touch or are intersected by the Boundary Line adjudicated as part of the Phase II proceedings. No other provision or issue addressed in the Order is addressed in this Brief.

Without waiving further objections, the Oil Group parties request this Court to reevaluate and correct its Decision and Order as stated in this Brief. California Code of Civil Procedure Section 128(a)(8); Darling, Hall & Rae v. Kritt (1999) 75 Cal.App. 4th 1148, 1156; Berstein v. Consolidated American Ins. Co. (1995) 37 Cal.App. 4th 763, 774; and Nave v. Taggart (1995) 34 Cal.App. 4th 1173, 1177.

II.

BRIEFING

With regard to that portion of the Court's Order determining the boundary of the Basin, the Court addressed two (2) separate and distinct issues. First, a determination of the boundary line of the Basin. Second, a conditional provision for potential further adjudication of certain parcels identified to be proximate to the boundary line of the Basin.

---

[2] The summary judgment order incorporated the map depicting the "outermost" boundary as part of that January 8, 2001 Order.

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Fundamentally, the Order finds and specifically determines that the boundary of the Basin is that line described in Mr. Wagner's Declaration and depicted as the solid magenta line on the incorporated map, Exhibit 5. In Mr. Wagner's Declaration he declared that,

> "The line identified as the boundary of the Santa Maria Ground-Water basin is based on geologic and hydrologic considerations and represents the extent of the aquifers comprising the groundwater basin. This line was developed in part during the meetings of the Technical Committee and to the extent that the boundary encompasses the water bearing sediments with the basin, represents the view of the Technical Committee and its members. This is the same line that was presented to the Court on October 9, 2001 on maps prepared by Mr. Joseph Scalmanini." (Emphasis added.)

Specifically, the Court has stated that it ". . . finds that the boundary of the Basin is that described on the map filed as Exhibit 5 . . . hereinafter referred to as the Boundary Line.". (Order, page 2) (Emphasis added.) More particularly, the ". . . Court finds on the basis of the evidence presented that the Boundary Line demarcates the boundary of the Basin, and that the Basin constitutes the area beneath which groundwater exists in sufficient quantities to be meaningfully included in this lawsuit." (Order, page 2.) "The Court determines that only the lands, groundwater extraction claims and claims to groundwater storage rights within the Boundary Line shall be subject to claims in this lawsuit." (Order, page 3.) (Emphasis added.) Finally with regard to issues of notice and due process the Court decreed that it ". . . finds that the Declaration of Robert C. Wagner . . . map and table to parcels, attached as Exhibits 5 and 6, set forth sufficient detail regarding the specific parcels traversed by the Basin Boundary Line so as to apprise potentially affected landowners and other interested parties of the location of the Basin and Boundary Line fixed by this Order." (Order, page 3.) (Emphasis added.) Based on

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these specific findings and determinations, the Court has clearly held that the Basin boundary is that area interior to the solid magenta line depicted on Exhibit 5.

However, in that portion of the Order addressing those parcels which are touched or intersected by the adjudicated Boundary Line, the Court utilizes a significantly different definition. For example, the Order provides that the "Basin shall also include for purposes of adjudication herein all those parcels of land, which are shown on Exhibit 5 and listed on Exhibit 6 . . . to the full extent of the perimeter of such parcels." (Order, page 2). (Emphasis added.) "Thus, at this time, until further order, the Court orders that those parcels are to be considered within the Basin." (Order, page 2). (Emphasis added.) Under this definition, the Basin boundary could be construed to be that area interior to the solid orange line representative of the several Assessors' Parcel Lines depicted on the Exhibit 5 and not the solid magenta identified by Mr. Wagner and Mr. Scalmanini. Such a construction is directly contradicted by the Court's specific findings and determinations regarding the Basin Boundary and this Court's earlier order adjudicating the "outermost lateral boundary" of the Basin. (Summary Judgment Order, page 2.)

Further, such a construction is not consistent with the Court's stated rationale for conditionally including the entirety of such parcels in this adjudication. Specifically, the Court's Order provides that, at this time and pending further briefing and order from the Court, that such parcels should be included in the area adjudicated by this groundwater litigation. Importantly, the Court has indicated that, while not deciding any such matters, such parcels may raise further legal issues regarding the use of water from the Basin. Therefore, while the Court has held that the full extent of the perimeter of such parcels should, at this time, be included in the area the subject of this groundwater adjudication, not all such lands have been found by the Court to be within the limits of the adjudged Basin Boundary as depicted on Exhibit 5. Importantly, the

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Court has made no determination with regard to the rights of such parcels and landowners to the use of water from the Basin.

This Court has the ability, on its own motion, to reevaluate its own interim rulings, or to correct an erroneous ruling. Darling, Hall & Rae v. Kritt (1999) 75 Cal.App. 4th 1148, 1156; Berstein v. Consolidated American Ins. Co. (1995) 37 Cal.App. 4th 763, 774; California Code of Civil Procedure Section 128(a)(8). "Until entry of judgment, the court retains complete power to change its decision as the court may determine; it may change its conclusions of law or findings of fact". Nave v. Taggart (1995) 34 Cal.App. 4th 1173, 1177.

III.

CONCLUSION

In light of this Court's prior orders and decrees, the provisions of the Order, and the above-cited authorities, the Oil Group parties respectfully request confirmation from the Court that the December 21, 2001 order and decision provides, with regard to the issues raised in this Brief, as follows:

(1) That the boundary of the Basin is as depicted on the Exhibit 5 to the Declaration of Robert C. Wagner, dated November 20, 2001. Specifically, the boundary of the Basin is that line identified on the legend to the map as "boundary of the Santa Maria Ground-Water Basin" depicted on the map as a **solid magenta** colored line;

(2) That the Basin boundary is not that line identified on the legend to the map as the "Assessors' Parcel Lines" depicted on the map as a **solid orange** colored line;

(3) that those parcels identified on Exhibit 5, which either touch or are intersected by the Boundary Line, are until further order of this Court, provisionally included for purposes of adjudication in this case; and

(4) that any further order of this Court regarding the adjudication of the rights and duties of such parcels will be determined in subsequent proceedings of this litigation following presentation of evidence and legal briefing on any such issues.

Dated: December 31, 2001

THE LAW OFFICES OF YOUNG WOOLDRIDGE LLP

By: _____

SCOTT K. KUNEY, Esq.
Attorneys for Cross-Defendants, Conoco, Inc., ChevronTexaco, Nuevo Energy Company, and Aera Energy LLC

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EXHIBIT C

Map of the Basin and Boundaries of the Three Management Areas

Santa Maria Valley Water Conservation District v. City of Santa Maria
Santa Clara County Superior Court Case No. CV 770214

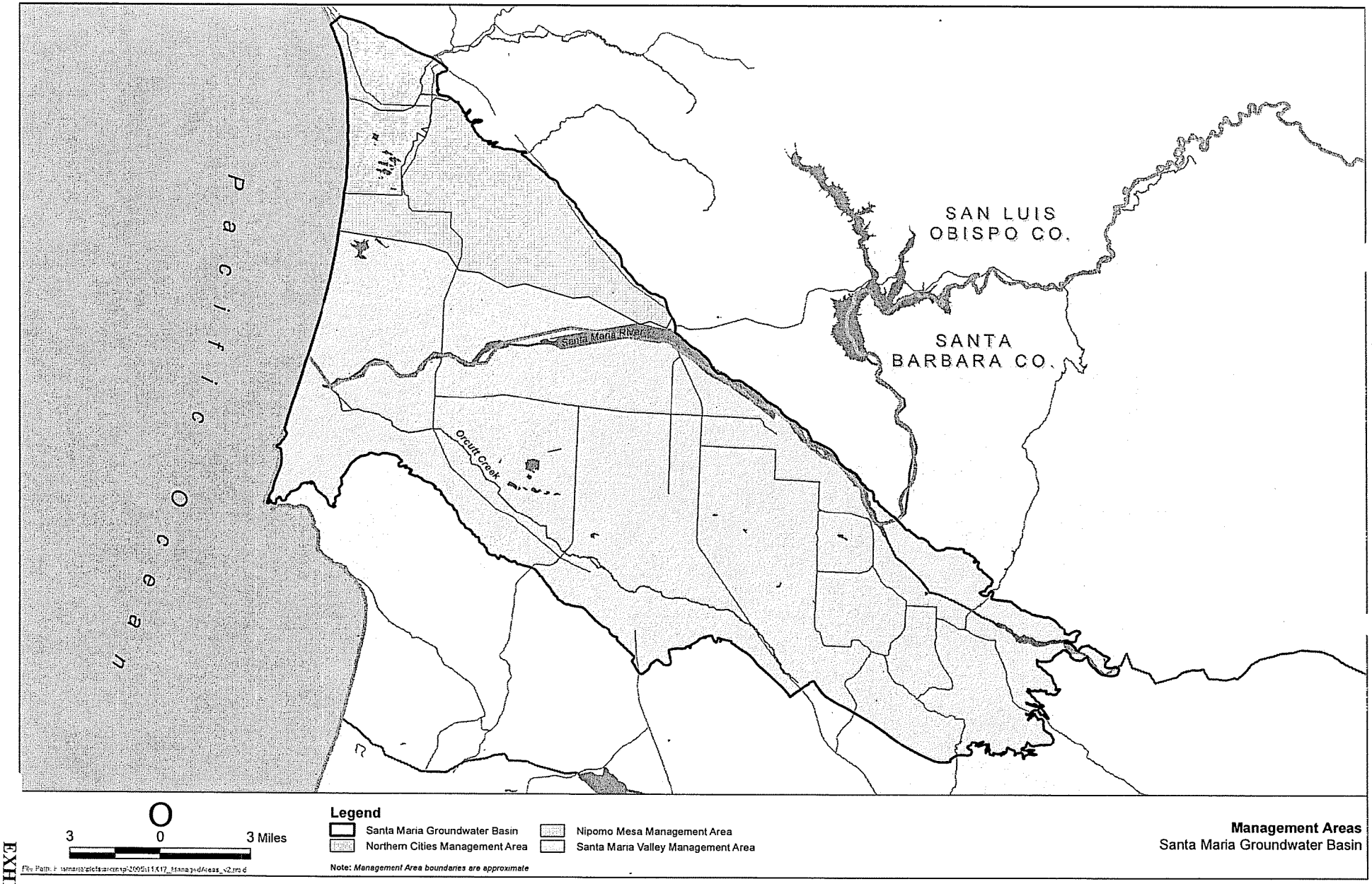


EXHIBIT C
Page 1 of 1

EXHIBIT D

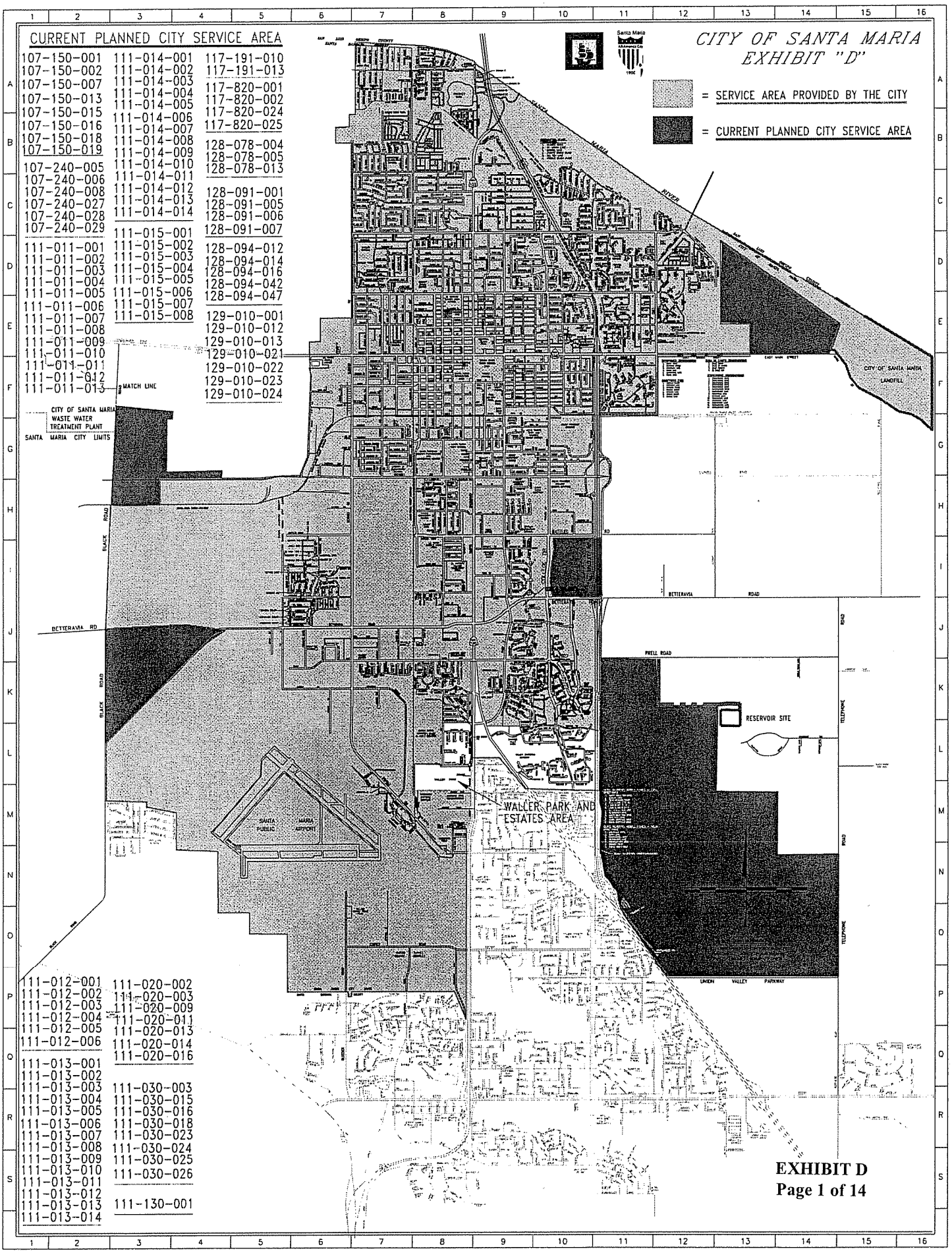
Santa Maria Valley Water Conservation District v. City of Santa Maria
Santa Clara County Superior Court Case No. CV 770214

I. Maps Identifying Those Lands as of January 1, 2005:

a. within the boundaries of a municipality or its sphere of influence, or within the process of inclusion in its sphere of influence; or

b. within the certificated service area of a publicly regulated utility.

II. List of selected parcels that are nearby the boundaries identified on the incorporated maps, which in addition to more distant parcels, are excluded from these new urban use areas.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107-150-007
107-150-013
107-150-015
107-150-016
107-150-018
107-150-019
107-240-005
107-240-006
107-240-008
107-240-027
107-240-028
107-240-029
111-011-001
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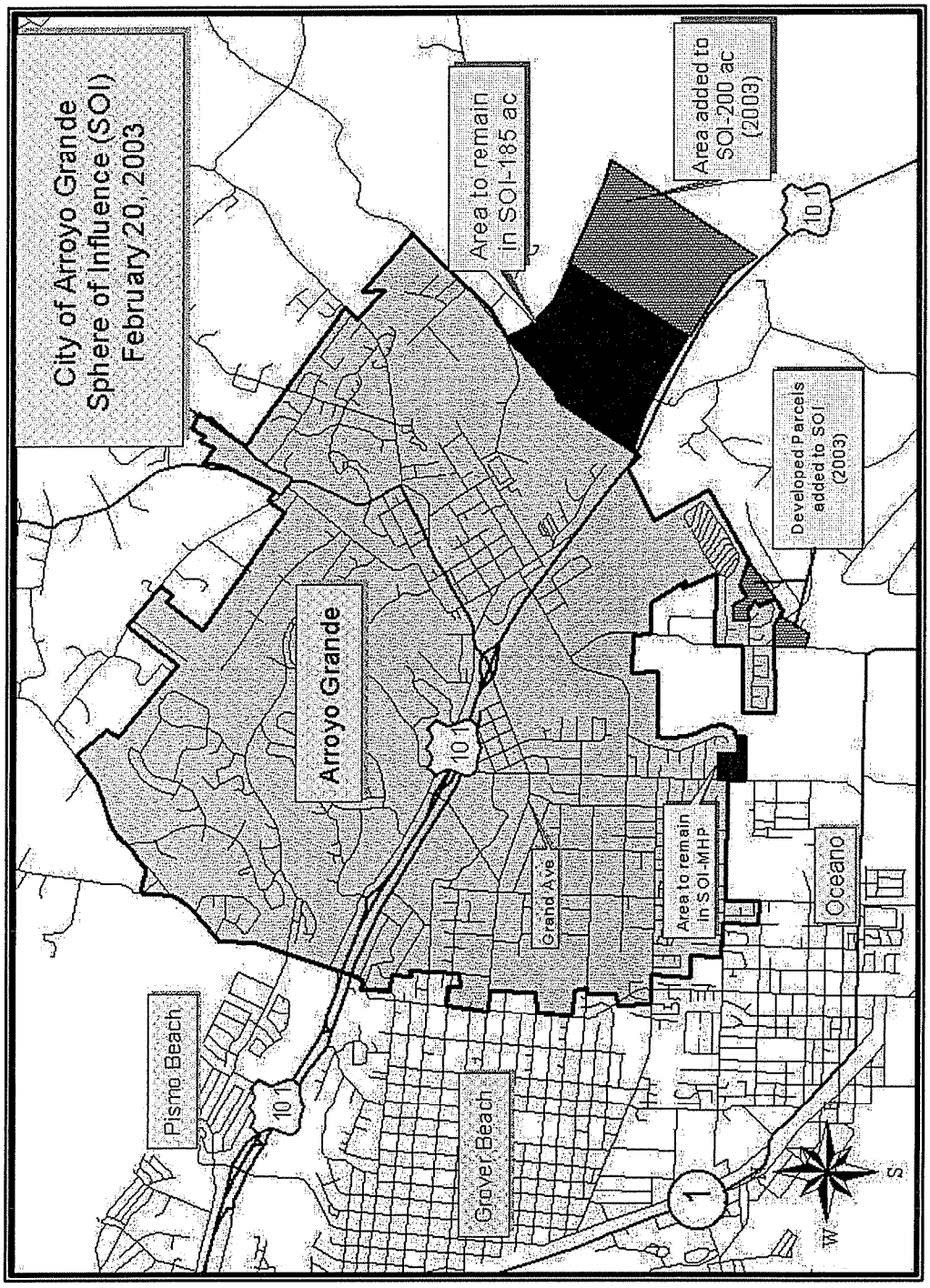
129-010-024
MATCH LINE
CITY OF SANTA MARIA WASTE WATER TREATMENT PLANT
SANTA MARIA CITY LIMITS
CITY OF SANTA MARIA EXHIBIT "D"
= SERVICE AREA PROVIDED BY THE CITY
= CURRENT PLANNED CITY SERVICE AREA
SANTA MARIA RIVER
BLACK ROAD
BETTERAVIA RD
PRELL ROAD
RESERVOIR SITE
WALLER PARK AND ESTATES AREA
SANTA MARIA PUBLIC AIRPORT
CITY OF SANTA MARIA LANDFILL
UNION VALLEY PARKWAY
EXHIBIT D
Page 1 of 14

Figure 1 – Sphere of Influence
City of Arroyo Grande



CITY OF GROVER BEACH
Sphere of Influence and City Boundary
As of January 1, 2005

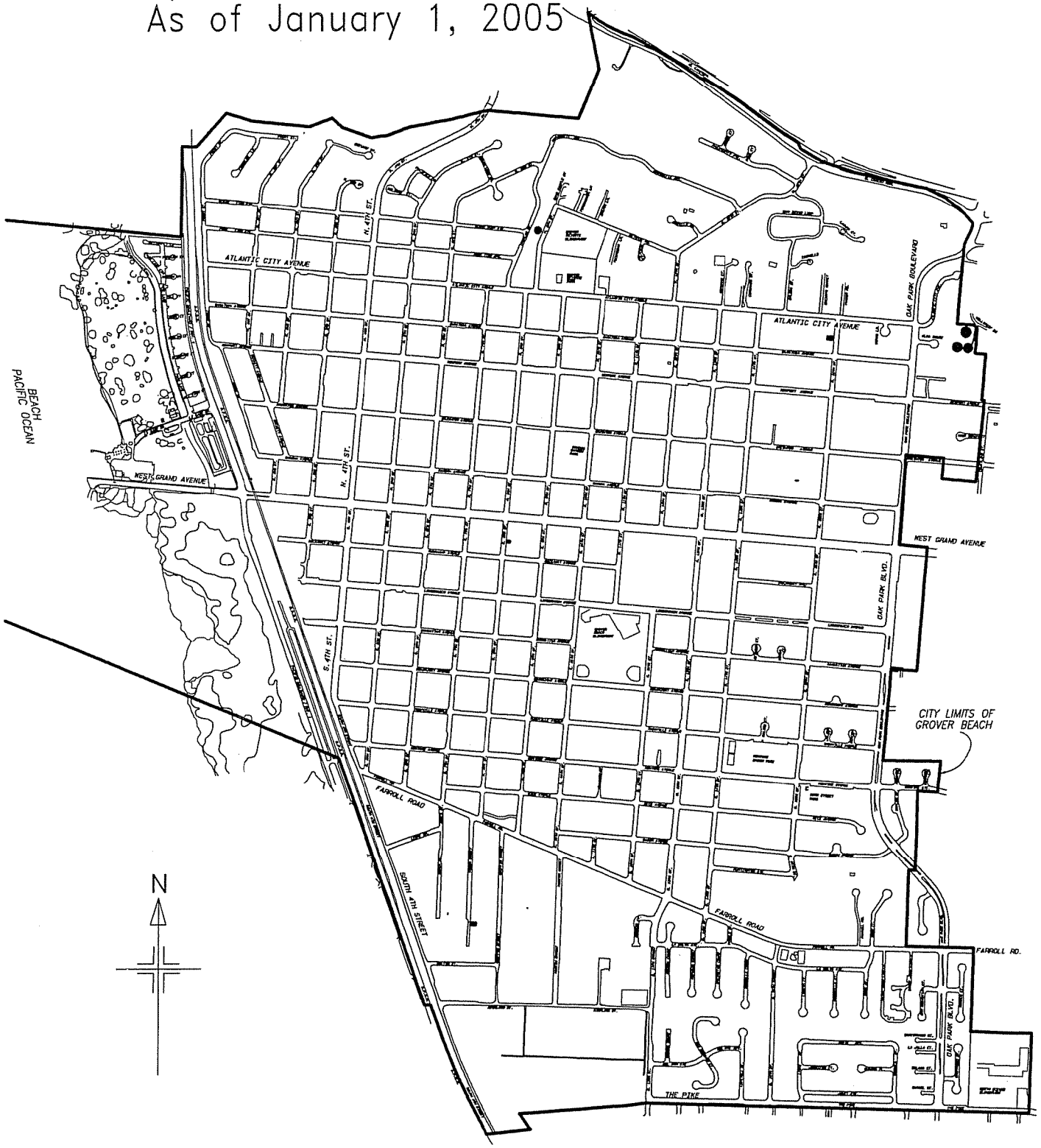
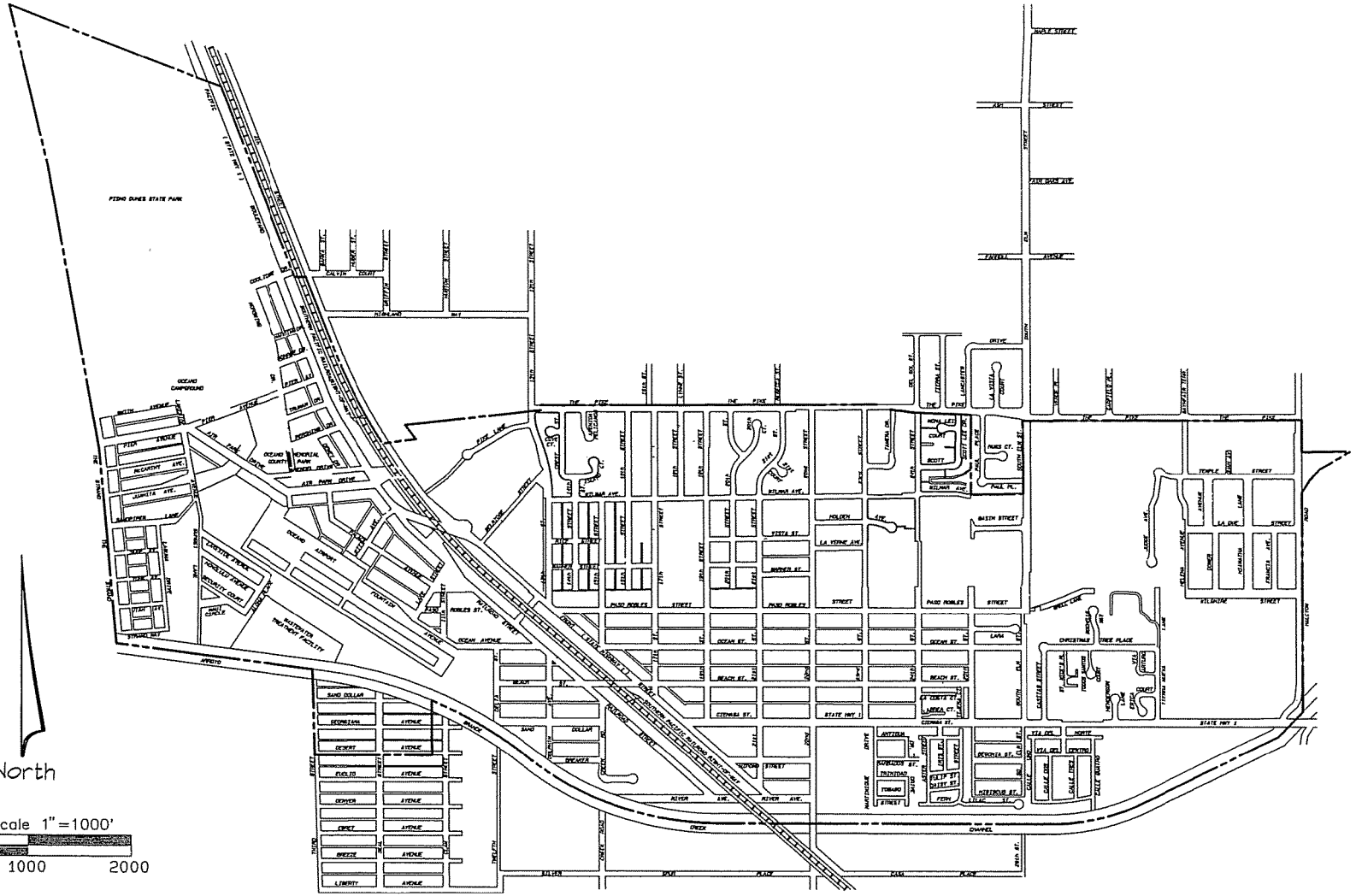


EXHIBIT D
Page 4 of 14



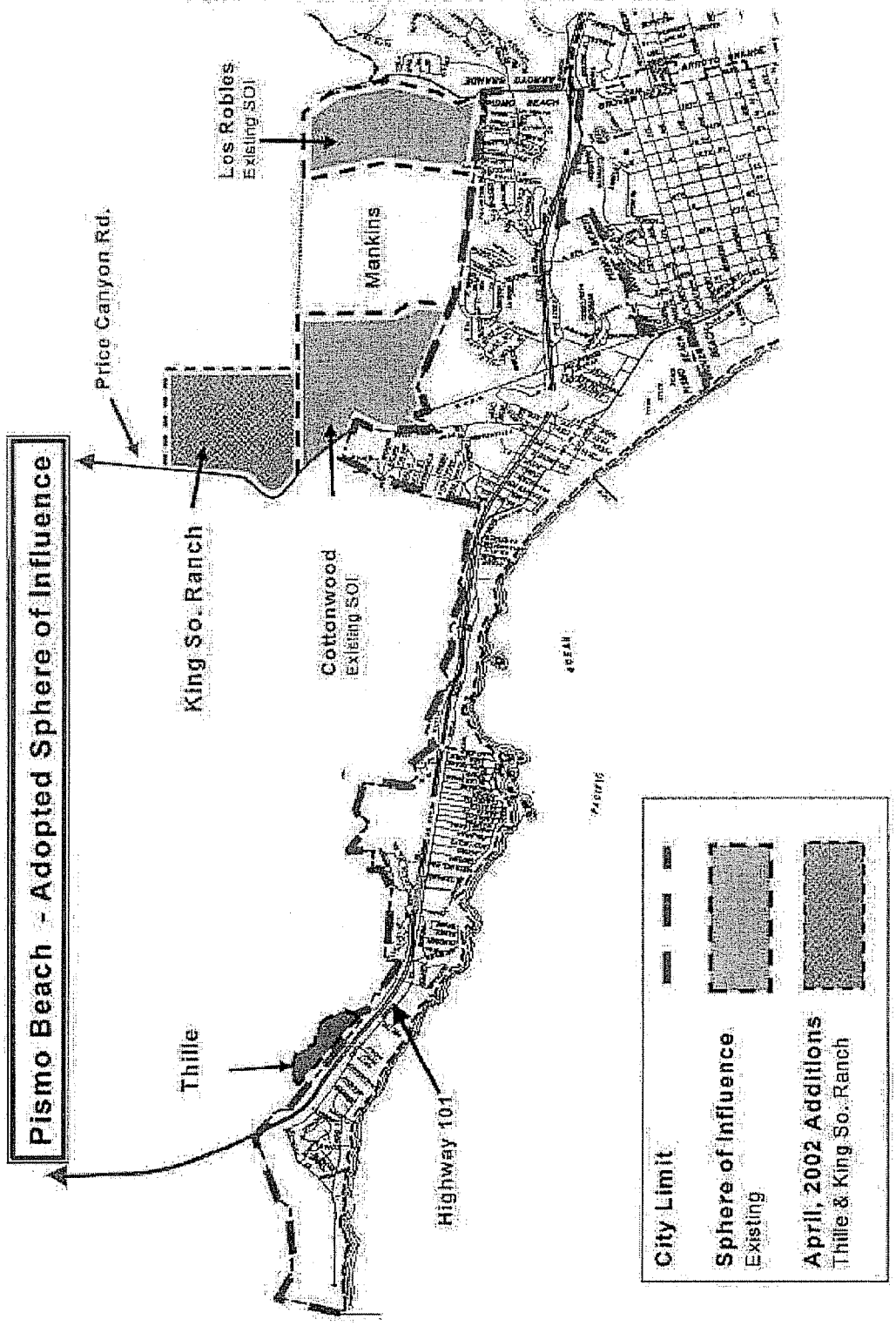
Oceano Community
Services District
P.O. Box 599
1655 Front Street
Oceano, CA 93445-0599
tel (805)481-6730

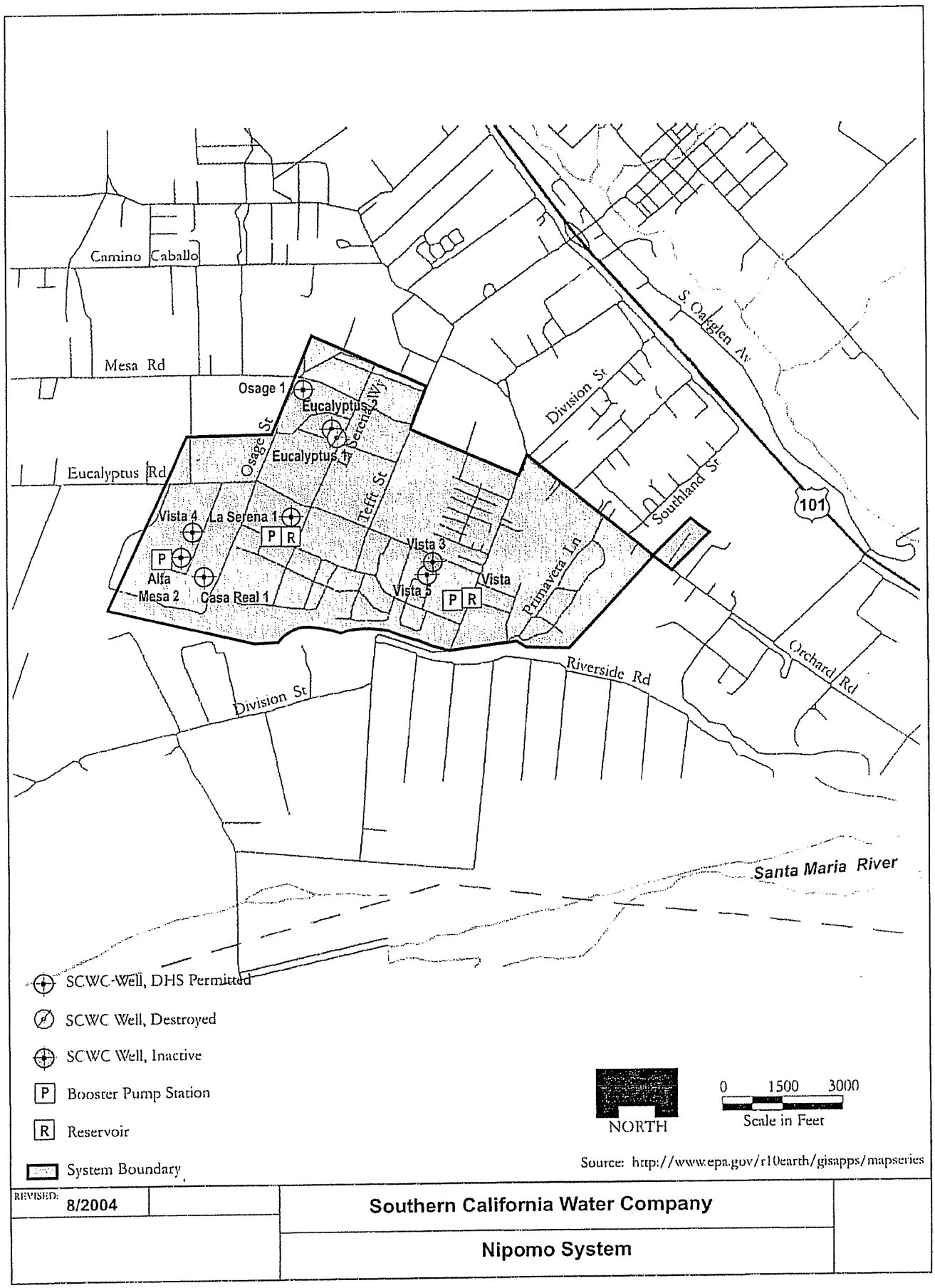
Service Area and Sphere of Influence January 1, 2005
OCEANO COMMUNITY SERVICES DISTRICT

Garing Taylor & Associates
Civil Engineering
Surveying
Project Development
141 South Elm Street
Arroyo Grande, CA 93420
805/489-1321

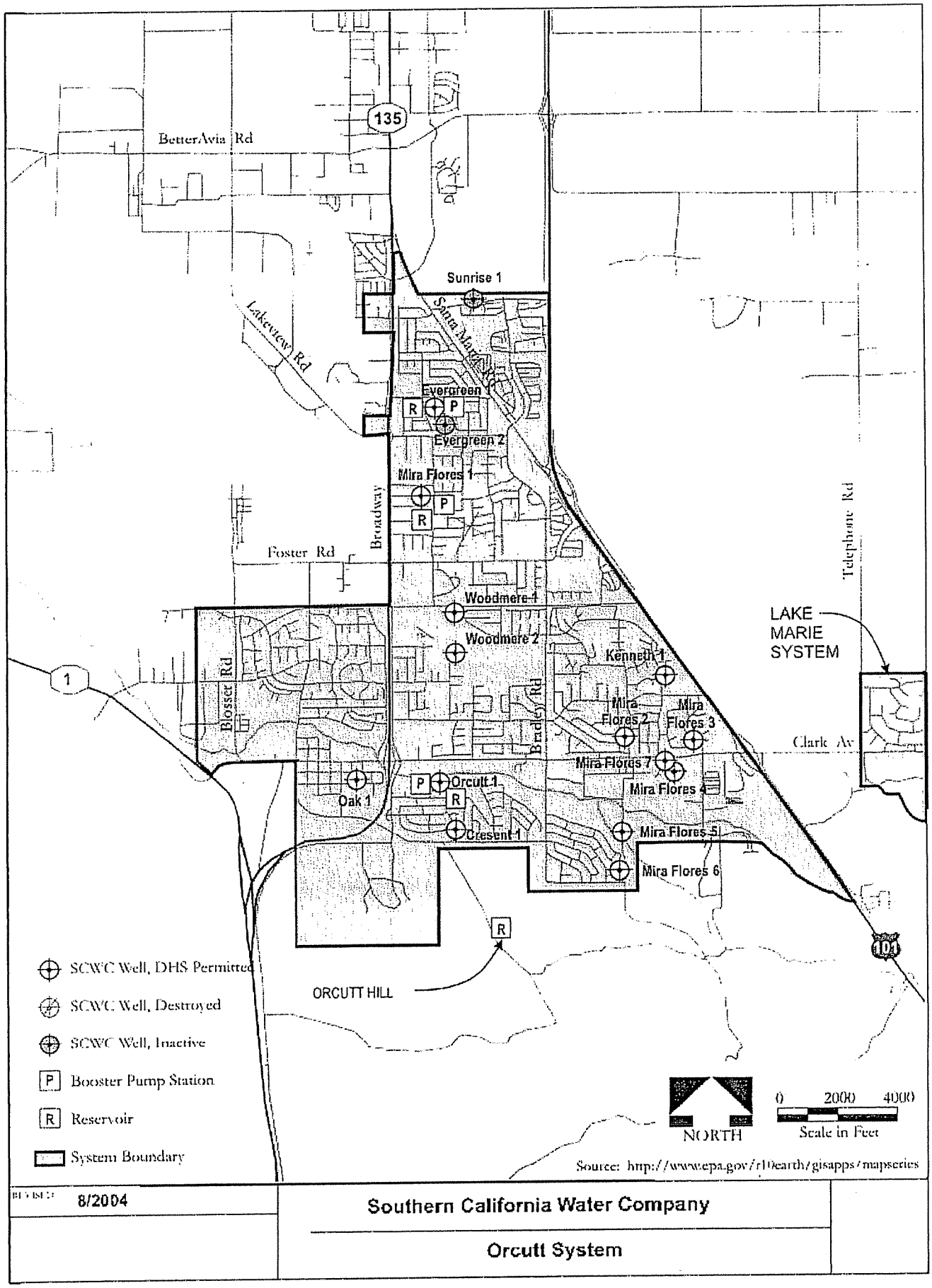
Scale: 1" = 1000'	
W.O. No. 0D01-007	
File Name OCSD_Boundary_and_SOI_01-01-2005.pro	
Plot date 6/20/2005	

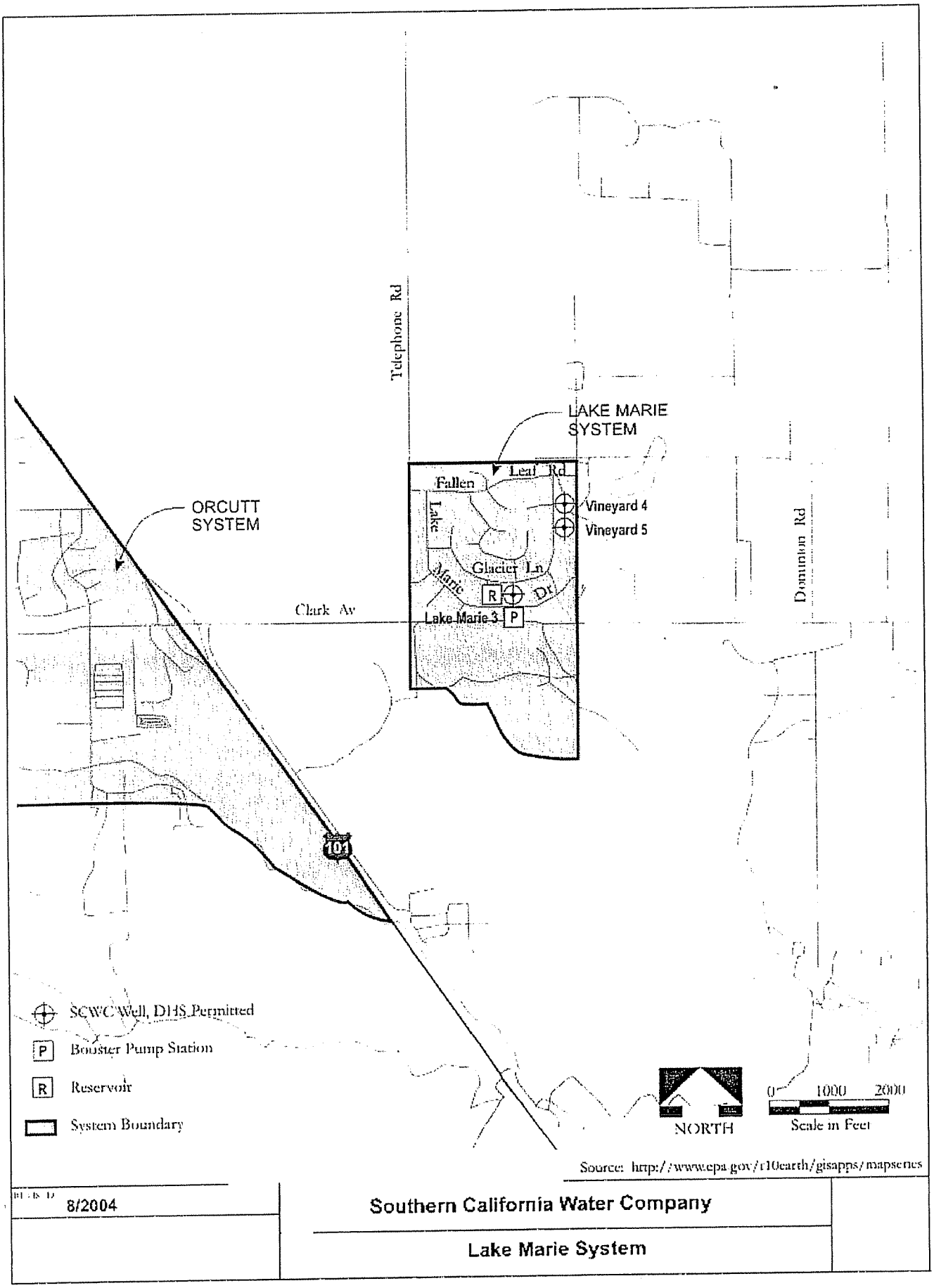
Figure 1 – Existing SOI and Proposed Additions

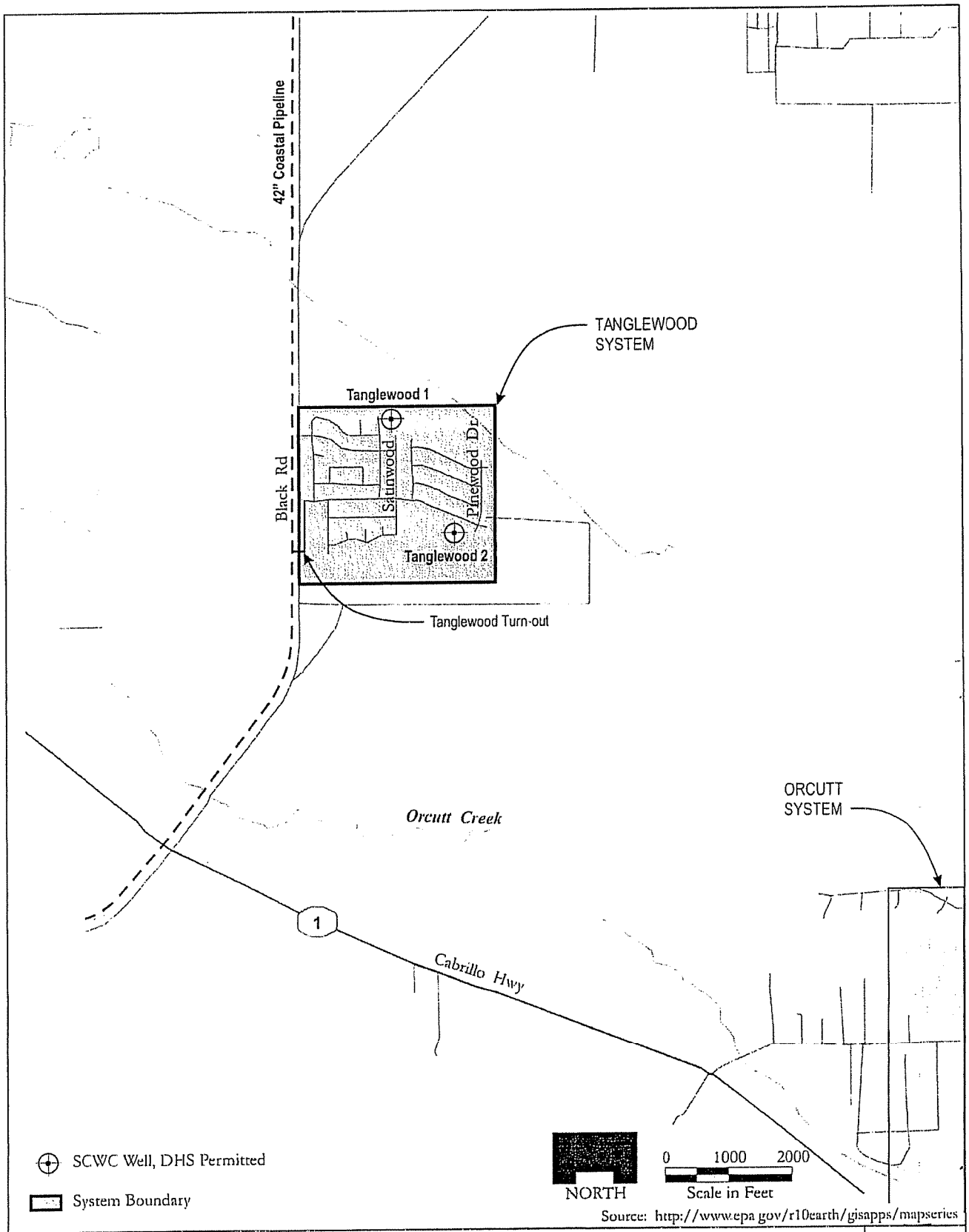




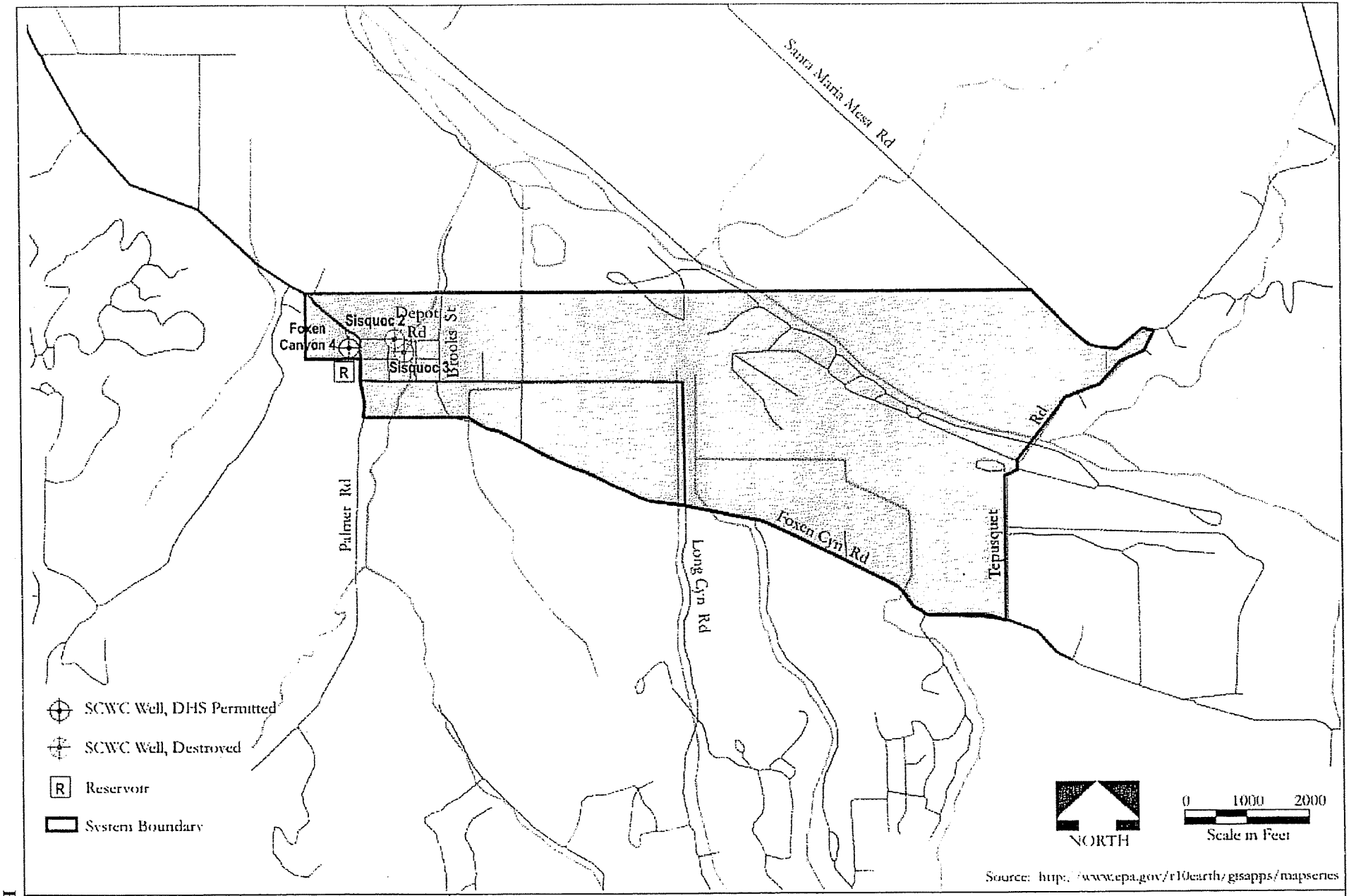
REVISED: 8/2004	Southern California Water Company
	Nipomo System


BetterAvia Rd
135
Sunrise 1
Lakeview Rd
Santa Margarita
Evergreen 1
Evergreen 2
Mira Flores 1
Broadway
Foster Rd
Telephone Rd
Woodmere 1
Woodmere 2
LAKE MARIE SYSTEM
Kenneth 1
Blosser Rd
Bradley Rd
Mira Flores 2
Mira Flores 3
Clark Av
Mira Flores 7
Mira Flores 4
Oak 1
Orcutt 1
Cresent 1
Mira Flores 5
Mira Flores 6
1
101
ORCUTT HILL
SCWC Well, DHS Permitted
SCWC Well, Destroyed
SCWC Well, Inactive
Booster Pump Station
Reservoir
System Boundary
NORTH
0 2000 4000
Scale in Feet
Source: http://www.epa.gov/r10earth/gisapps/mapseries
8/2004
Southern California Water Company
Orcutt System


Telephone Rd
LAKE MARIE SYSTEM
ORCUTT SYSTEM
Leaf Rd
Fallen
Lake
Vineyard 4
Vineyard 5
Glacier Ln
Marie
Dr
R
Clark Av
Lake Marie 3
P
Dominion Rd
101
SCWC Well, DHS Permitted
Booster Pump Station
Reservoir
System Boundary
NORTH
0
1000
2000
Scale in Feet
Source: http://www.epa.gov/r10earth/gisapps/mapsenes
8/2004
Southern California Water Company
Lake Marie System



REVISED: 8/2004	Southern California Water Company	FIGURE
	Tanglewood System	



REVISED 8/2004

Southern California Water Company

Sisquoc System

EXHIBIT D
Page 10 of 14

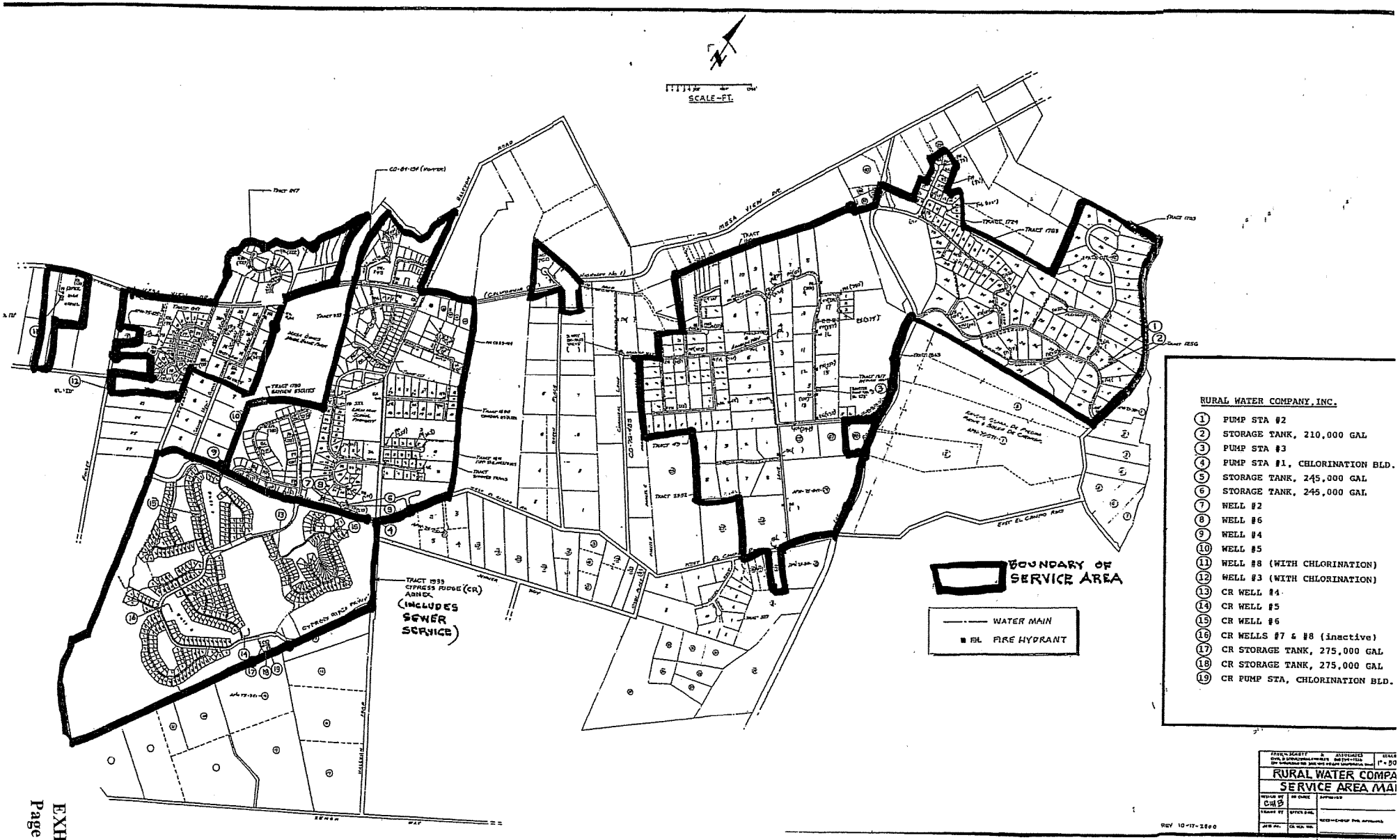
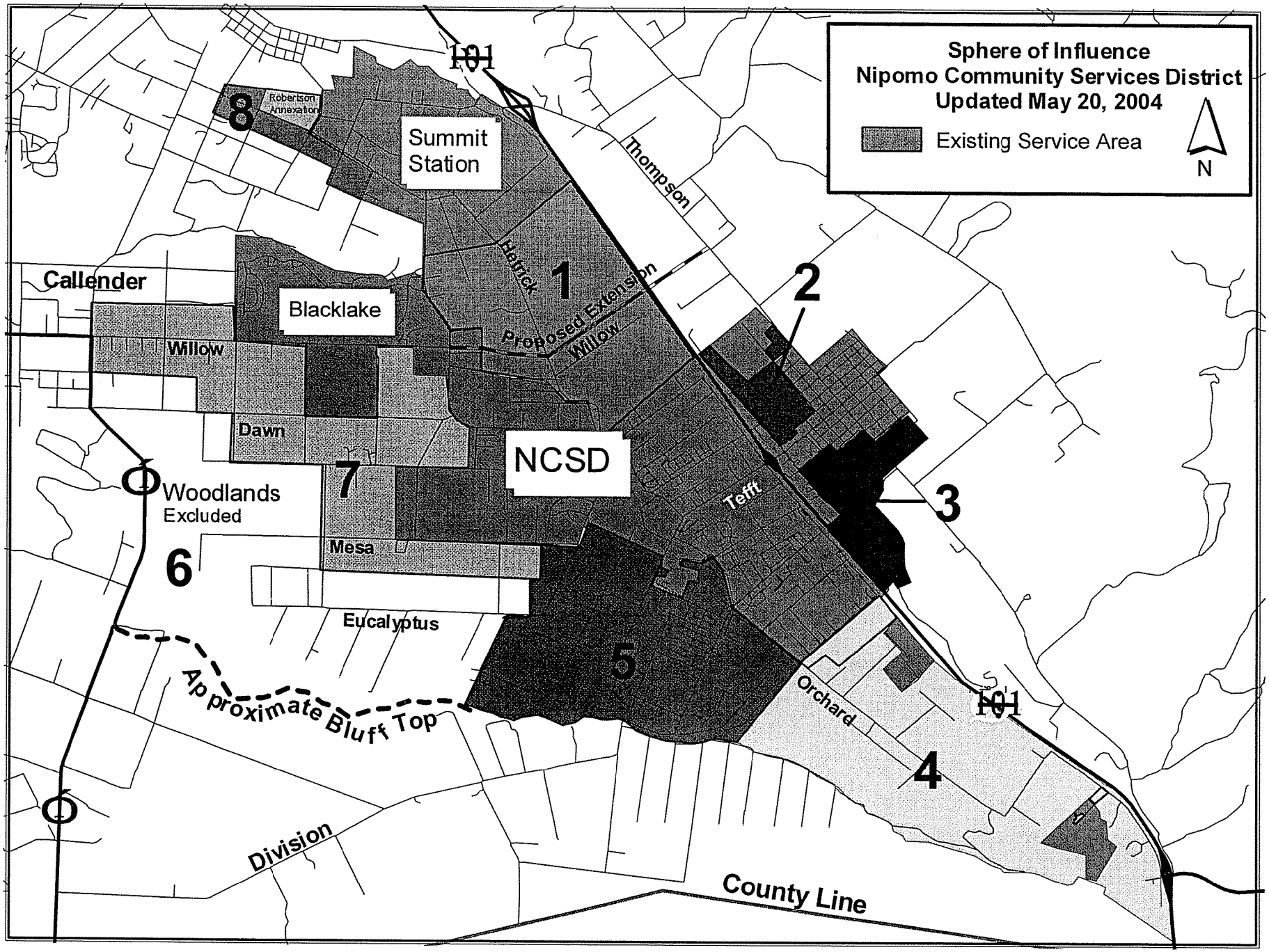
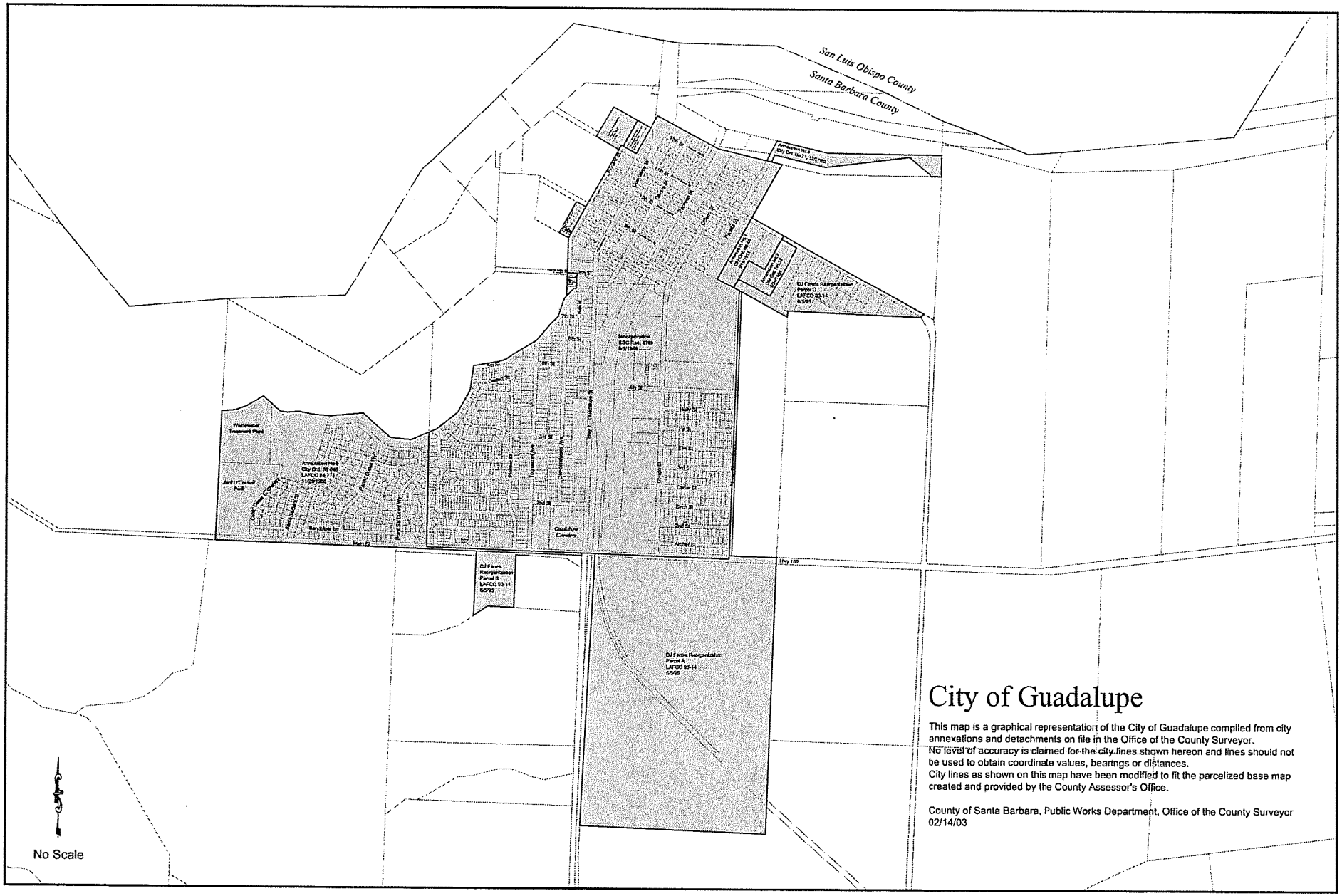


EXHIBIT D
Page 11 of 14


Sphere of Influence
Nipomo Community Services District
Updated May 20, 2004
Existing Service Area
N
101
Robertson Annexation
8
Summit Station
Thompson
Callender
Blacklake
Hatrick
1
Proposed Extension Willow
2
Willow
Dawn
NCSD
7
Woodlands
Excluded
Tefft
3
6
Mesa
Eucalyptus
5
Approximate Bluff Top
Orchard
101
4
Division
County Line



City of Guadalupe

This map is a graphical representation of the City of Guadalupe compiled from city annexations and detachments on file in the Office of the County Surveyor.
No level of accuracy is claimed for the city lines shown hereon and lines should not be used to obtain coordinate values, bearings or distances.
City lines as shown on this map have been modified to fit the parcelized base map created and provided by the County Assessor's Office.

County of Santa Barbara, Public Works Department, Office of the County Surveyor
02/14/03

EXHIBIT D

List of Selected Excluded Parcels Nearby the Boundaries of New Urban Use Areas

103-070-004
107-300-007
107-300-008
107-300-012
128-056-024
128-094-018
128-094-019
128-094-020
128-094-021
128-094-023
128-094-024
128-094-029
128-094-031
128-095-001
128-095-002
128-095-003
128-095-004
128-095-006
128-095-008
128-096-001
128-096-002
128-096-003
128-096-004
128-096-006
128-096-009
128-098-005
128-099-001
128-100-001
128-100-003
128-100-020
128-100-021
128-100-022
128-100-027
128-100-028
128-100-029
128-100-030
128-100-031
128-101-010
128-101-012
129-100-008
129-110-020
129-120-001
129-120-023
129-151-029
129-151-031
129-151-032
129-151-033
129-180-010
129-180-011
129-210-017

EXHIBIT E

2002 Settlement Agreement between the Northern Cities and Northern Landowners

Santa Maria Valley Water Conservation District v. City of Santa Maria
Santa Clara County Superior Court Case No. CV 770214

NOSSAMAN, GUTHNER, KNOX & ELLIOTT, LLP
Frederic A. Fudacz, State Bar No. 50546
Henry S. Weinstock, State Bar No. 89765
Alfred E. Smith, State Bar No. 186257
445 South Figueroa Street, 31st Floor
Los Angeles, California 90071
Telephone: (213) 612-7800
Facsimile: (213) 612-7801

Attorneys for Defendants City of Arroyo Grande, City of Grover Beach, City of Pismo Beach, Oceano Community Services District

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

SANTA MARIA VALLEY WATER CONSERVATION DISTRICT, a public entity, Plaintiff, v. CITY OF SANTA MARIA, et al., Defendants. AND ALL RELATED ACTIONS.	SANTA MARIA GROUNDWATER LITIGATION, LEAD CASE No. CV 770214 (Consolidated with CV 784900, 784921, 784926, 785509, 785511, 785515, 785522, 785936, 786971, 787150, 787151, 787152, 990738, 990739) **SETTLEMENT AGREEMENT BETWEEN NORTHERN CITIES, NORTHERN LANDOWNERS, AND OTHER PARTIES**

PARTIES AND EFFECTIVE DATE

This Agreement is entered into among the Cities of Arroyo Grande, Pismo Beach, Grover Beach and the Oceano Community Services District (collectively "Northern Cities"), owners/lessors of land located in the Northern Cities Area ("Northern Landowners"), and other parties who execute this Agreement. This Agreement is entered into as of April 30, 2002.

STIPULATIONS OF FACT

A. In 1997, the Santa Maria Valley Water Conservation District initiated this action, Santa Clara Superior Court Case Number CV 770214, consolidated with Case

Numbers 784900, 784921, 784926, 785509, 785511, 785515, 785522, 785936, 786971, 787150, 787151, 787152, 990738, and 990739 (the "Action"), to adjudicate groundwater rights in the Santa Maria Groundwater Basin;

B. Numerous parties have filed complaints and/or cross-complaints in the Action with respect to rights to produce water in the Santa Maria Groundwater Basin;

C. By Order dated December 21, 2001, the Court determined the geographic area constituting the Santa Maria Groundwater Basin ("Basin") and ruled that the Northern Cities Area (identified on the map attached hereto as Exhibit A) is within the Basin;

D. Under current water supply and demand conditions, the groundwater basin in the Northern Cities Area is in rough equilibrium, and groundwater pumping in the Northern Cities Area does not negatively affect water supplies in the remainder of the Basin;

E. For more than 30 years, there have been separate funding, management and usage of groundwater in the Northern Cities Area from groundwater in the Santa Maria Valley. For example, the Northern Cities and Northern Landowners have paid and are paying tens of millions of dollars for the construction and retrofit of the Lopez Reservoir, which benefits the Northern Cities Area; whereas the Twitchell Reservoir has been paid for by parties in the Santa Maria Valley who benefit from it.

F. The Northern Cities and Northern Landowners have agreed among themselves and do hereby reaffirm their agreement to cooperatively share and manage groundwater resources in the Northern Cities Area in accordance with a "Gentlemen's Agreement" that was originally developed in 1983 and amended thereafter. Said Agreement confers no rights on any third parties;

G. It is in the interest of all of the parties to this litigation that the parties settle their claims and potential claims on the basis of the continued separate funding, management, and usage of the waters conserved by the Lopez Reservoir in the Northern Cities Area and by the Twitchell Reservoir in the remainder of the Basin, to preserve and protect water resources in those separate management areas.

H. This Settlement Agreement is also intended to provide the parties with

advance notice of changes in the groundwater conditions in the Northern Cities Area and Nipomo Mesa, as water supplies and demands may change with time. (The Nipomo Mesa is southeast of the Zone 3 Line, and north of the Santa Maria River.); and

I. The parties to this Settlement Agreement have agreed to settle and resolve their cross-claims and potential cross-claims on the conditions set forth below:

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS

1. Separate Management Areas. Subject to the conditions set forth below, water resources and water production facilities in the Northern Cities Area shall continue to be independently managed by the Northern Cities, the San Luis Obispo County Flood Control and Water Conservation District, and the Northern Landowners, with the intention of preserving the long-term integrity of water supplies in the Northern Cities Area. For example, the Northern Cities and Northern Landowners will not be responsible to pay for any of the costs of the Twitchell Reservoir; and the parties outside of the Northern Cities Area (Zone 3) shall not be responsible to pay any of the costs relating to the Lopez Reservoir.

2. Effects on Litigation. Except as provided below, the parties in the Northern Cities Area, on the one hand, and the other parties hereto, on the other hand, agree not to pursue or assert any claims against one another relating to water rights in the Santa Maria Groundwater Basin. Each of the Northern Landowners who execute this Agreement will be deemed to have been served by each of the water purveyor parties in this action who have signed this Agreement with cross-complaints seeking declaratory and other relief in the form of the cross-complaints previously filed by the City of Santa Maria; and each of the Northern Landowners who execute this Agreement shall be deemed to have served and filed answers to said cross-complaints denying all of their material allegations and asserting all available affirmative defenses. The Northern Cities and Landowners shall continue to be subject to reasonable discovery requests that are relevant to the remaining issues in the case.

3. Court Approval. This Settlement Agreement shall be submitted to the Court for approval. If approved, this Settlement Agreement shall be included in and attached as an exhibit to the final judgment in this Action, and the Northern Cities Area shall be treated

separately under the judgment in accordance with the provisions set forth herein. Paragraphs 4 and 7-20 of this Agreement shall take effect only upon Court approval of this Agreement.

4. Consent to Continuing Jurisdiction. Prior to this Agreement, there has been no adjudication of the water rights of the Northern Cities, Northern Landowners, or any other party, other than the determination of the boundaries of the Basin. Except ¶ 5 below, nothing in this Agreement authorizes the Court to restrict or affect the right of any party to pump, divert, use, or store groundwater or surface water without first according that party all of its substantive, procedural, and due process rights under constitutional, statutory, and common law requirements. Subject to the above and to the limitations of paragraphs 5-6 below, the parties hereto agree that the Court reserves and retains full jurisdiction, power, and authority over the Northern Cities Area, the Northern Cities, and the Northern Landowners, to enable the Court, upon motion of any party, to make such further orders or directions (1) to interpret, enforce, amend, or amplify any of the provisions of this Agreement; (2) to enforce, protect, or preserve the rights of the respective parties, consistent with the rights herein decreed; or (3) to issue such additional orders and/or injunctions to prevent injury to any party that might result from any material adverse change in the availability or quality of the water supplies in the Northern Cities Area, or the Nipomo Mesa Area, or any part of the Basin.

5. Reaffirmation of Gentlemen's Agreement. The Northern Cities and Northern Landowners hereby reaffirm their Agreement to cooperatively share and manage groundwater resources in the Northern Cities' Area in accordance with their AGREEMENT REGARDING MANAGEMENT OF THE ARROYO GRANDE GROUNDWATER BASIN, aka the "Gentlemen's Agreement." (A copy of the current version of this Agreement is attached hereto as Exhibit B.) In particular, the Northern Cities and the Northern Landowners agree with each other to continue to divide the safe yield of groundwater in the Northern Cities' Area, including any increases or decreases of the safe yield, in accordance with ¶ 1 of Exhibit B hereto. Said water-sharing Agreement and this paragraph 5 shall only be binding on and enforceable by the Northern Cities and Northern Landowners.

6. No Effect on Water Rights. Except as provided in ¶ 5 above, nothing in

this Agreement shall be construed to create, eliminate, increase, or reduce any substantive right of any party to pump, divert, use, or store groundwater or surface water; and nothing in this Agreement shall be construed to prove or disprove, directly or indirectly, any element of prescriptive rights to groundwater.

TECHNICAL OVERSIGHT COMMITTEE

7. Formation. A Technical Oversight Committee (TOC) shall be established to carry out the ongoing monitoring and analysis program ("MAP," see below).

8. Composition. The TOC shall be comprised of two voting representatives of the Northern Cities and two voting representatives of parties providing public water service on the Nipomo Mesa ("Mesa Parties," which include the Nipomo Community Services District, Rural Water Company and Southern California Water Company, and their successors or assigns). At least one of the two representatives from the Northern Cities and the Mesa Parties shall be technically qualified to carry out the MAP duties described below. The other TOC representatives may be technical, policy, managerial, or legal in nature. The voting representatives shall attempt to operate by consensus. However, if consensus cannot be achieved, TOC decisions may be made by majority vote of the voting representatives.

9. Responsibility. The TOC shall implement and carry out the MAP.

10. Meetings. The TOC shall meet at least semi-annually for the first five (5) years of implementing the MAP, and at least annually thereafter.

11. Procedures of the TOC. The TOC shall establish procedures for the fulfillment of its responsibilities under this Agreement.

MONITORING AND ANALYSIS PROGRAM

12. Purpose and Legal Effect. A monitoring and analysis program (MAP) shall be established to provide ongoing data collection and analysis of water supplies and demands in the Northern Cities Area and the Nipomo Mesa. The purpose of the MAP is to regularly assess the potential impact on the water supplies on either side of the Zone 3 boundary line resulting from changing conditions regarding the water supplies and demands in the Northern Cities Area and the Nipomo Mesa, and the resulting changes in the surface and groundwater

flow conditions adjacent to and across the Zone 3 boundary line.

13. The Water Management Plans and the Annual Reports (collectively "Plans") prepared pursuant to this Agreement are for information purposes only. They shall not independently create in the party(ies) preparing them any affirmative obligation to act, or implement any part of the Plans, nor shall they independently provide any other party or the Court any right to compel Action or enforce any obligation. However, any party may challenge the sufficiency of any Plan produced pursuant to this Agreement by showing that it has not been completed in substantial compliance with the requirements of this Agreement, except that any challenge to a Water Management Plan created pursuant to Paragraph 15 below may only be undertaken in a proceeding and under the standards set forth under Water Code sections 10650, *et seq.*

14. The Parties shall be excused from the preparation of the Plans required in this Agreement when the Court enters a final judgment in this litigation.

15. Water Supply Planning and Reports. Within two years after Court approval of this Settlement, each of the Northern Cities and the Mesa Parties shall evaluate their current and future water supplies and prepare a Water Management Plan. The Water Management Plan shall generally include the content and analysis described in Water Code sections 10630 through 10635, and shall also include an analysis of the ongoing availability of groundwater in the Northern Cities Area given the changing urban and agricultural water demands in the Northern Cities Area. Each of the Northern Cities and the Mesa Parties shall update and revise their previously prepared Water Management Plans prior to December 31, 2006, and every five years thereafter; provided however, that this requirement to prepare a Water Management Plan is not intended to expand or impose upon any party rights or obligations with respect to such Water Management Plans, other than those specifically stated in this Section. Copies of the Water Management Plans shall be provided to the Northern Cities, the Mesa Parties, the Santa Maria Valley Water Conservation District and the City of Santa Maria.

16. Monitoring and Data Collection. The TOC shall implement a MAP that

shall include the data collection and analysis elements described below, and any other monitoring and analysis, if the TOC deems them appropriate and cost-effective to fulfill the purpose of this Agreement. The data collection and database development shall be created so that the data can be shared and transferred between the TOC members for review and evaluation in electronic format. The MAP shall include the following elements.

a. Design. Within six months after Court approval of this Agreement, the TOC shall review existing data to select existing wells to include in the MAP. The TOC shall define the list of wells to be monitored and specific information to be obtained from each well, such as groundwater levels and groundwater quality constituents. The MAP shall also include data collection to provide for early detection of seawater intrusion and collection of other related data (e.g., deliveries of supplemental water, precipitation, discharge of treated waste water, etc.) as are necessary for preparation of the analyses and reports required by this Agreement. To the extent practical to adequately meet the purpose of this Agreement, the TOC shall use existing facilities, rather than new facilities, in the design of the MAP.

b. Data Collection. As soon as the design of the MAP is complete, the TOC shall commence collection of groundwater monitoring data, with data collection to occur at intervals determined by the TOC.

c. Changing Groundwater Use Patterns. The TOC may also monitor the groundwater pumping patterns in the Northern Cities Area and the Nipomo Mesa. The monitoring shall be based on either observed changes (municipal pumping) or estimated changes (private or agricultural pumping). The TOC may review the changes in pumping to assess the potential impacts on groundwater flow conditions along the Zone 3 boundary line and include its findings in the Annual Report, described below.

d. MAP Assessment. Within two years of Court approval of this Agreement, and annually thereafter, the TOC shall evaluate data from the monitoring program, assess data gaps, and make recommendations to revise the monitoring program, including the use of other wells or installation of new monitoring wells, as appropriate. The TOC may recommend to the Northern Cities and the Mesa Parties or to the Court any additional

monitoring of hydrologic characteristics that may be prudent and cost-effective to meet the goals of this Agreement, to provide a higher level of confidence in the data and analyses than that which is based on existing wells, stream gages, etc.

17. Annual Report. Based upon the MAP and other relevant information, the TOC shall annually prepare a Report on Water Supply and Groundwater Conditions (Annual Report) for the Northern Cities Area and Nipomo Mesa. The Annual Report shall be filed with the Court, posted on the Court's website, and served on the Northern Cities, the Mesa Parties, the Santa Maria Valley Water Conservation District, and the City of Santa Maria. The first Annual Report shall be completed, filed and served, as described in the previous sentence, on or before the second (2nd) anniversary of this Court's approval of this Agreement, and annually thereafter. The Annual Report shall assess the adequacy of the water supplies in each area in comparison to the corresponding demands, and shall include an analysis and discussion of the estimates of the volume of groundwater in storage, an updated water budget assessment, and anticipated water supply constraints, if any.

18. Cost Sharing. Unless otherwise agreed, each of the Northern Cities and the Mesa Parties shall bear their own costs in participating in the TOC, gathering and analyzing data, and producing any written documents as may be required by this Agreement. To the extent the construction of new facilities may be required to implement this Agreement, the Northern Cities and the Mesa Parties shall develop an equitable cost sharing agreement. The parties will use their best efforts to minimize the costs of compliance in undertaking the obligations of this Agreement.

19. Cooperation of all Parties. All parties to this litigation and this Agreement shall provide any documents, information, access to wells, and well data, and take any other actions reasonably requested to implement the MAP, subject to prior protective orders and reasonable confidentiality restrictions.

ADVANCE NOTICE OF INCREASED WATER PRODUCTION

20. The Mesa Parties, the Northern Cities, and the Northern Landowners shall provide prior written notice to each other of their intent to drill new wells, materially increase

the production capacity of existing wells or take over the use of an existing well, if the well is to be used for water production (not monitoring). The notice must be served prior to or concurrent with the initiation of environmental review under the California Environmental Quality Act (CEQA), if required, or at least ninety (90) days prior to the construction of a new well or the takeover or increase in capacity of an existing well. This ninety (90) day notice requirement shall not apply in the event of emergencies, such as replacement of a collapsed well, in which case notice will be provided as promptly as possible. The notice should provide a description of the location, intended capacity and use of the well.

GENERAL PROVISIONS

21. No Third Party Beneficiary. Nothing in this Agreement, whether express or implied, shall confer any rights or remedies under this Agreement on any persons other than the Parties to it and their respective successors and assigns. Nothing in this Agreement shall relieve or discharge the obligation or liability of any third parties to any Party to this Agreement.

22. Legal Capacity. The Parties warrant that all necessary approvals and authorizations have been obtained to bind them to all terms of this Agreement, and further warrant that the persons signing have authority to sign on behalf of their respective Parties.

23. Amendment. No amendment to this Agreement will be binding unless it is either signed by an authorized representative of all of the Parties or approved by the Court.

24. Governing Law. This Agreement will be construed in accordance with, and governed by, the laws of the State of California as applied to contracts that are executed and performed entirely in California.

25 Severability. If any provision of this Agreement is held invalid or unenforceable by any court, it is the intent of the Parties that all other provisions of this Agreement be construed so as to remain fully valid, enforceable, and binding on the Parties.

26. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be considered an original, but all of which together will constitute one and the same instrument. Any party that is currently a party to this Action and any Northern Landowner may become a party to this Agreement by agreeing in writing to be

bound by its terms at any time prior to the entry of judgment in this Action. Future signatories to this Agreement shall sign the signature pages attached hereto as Exhibits C (for Northern Landowners) or D (for other parties to this litigation) to confirm their acceptance of its terms.

27. Merger Clause. This Agreement supersedes and replaces all prior settlement negotiations and agreements, written or oral. It is the complete, final, and exclusive statement of the parties' agreement. The parties hereto acknowledge that no party, agent or attorney of any party has made any promise, representation or warranty whatsoever, express or implied, not contained herein, to induce them to execute this Agreement. Each party has executed this Agreement in reliance on the advice of his/her or its own attorney.

Dated: April __ , 2002

CITY OF ARROYO GRANDE

By: *Signature Page Filed with Court*
Title: _____

Dated: April __ , 2002

CITY OF GROVER BEACH

By: *Signature Page Filed with Court*
Title: _____

Dated: April __ , 2002

CITY OF PISMO BEACH

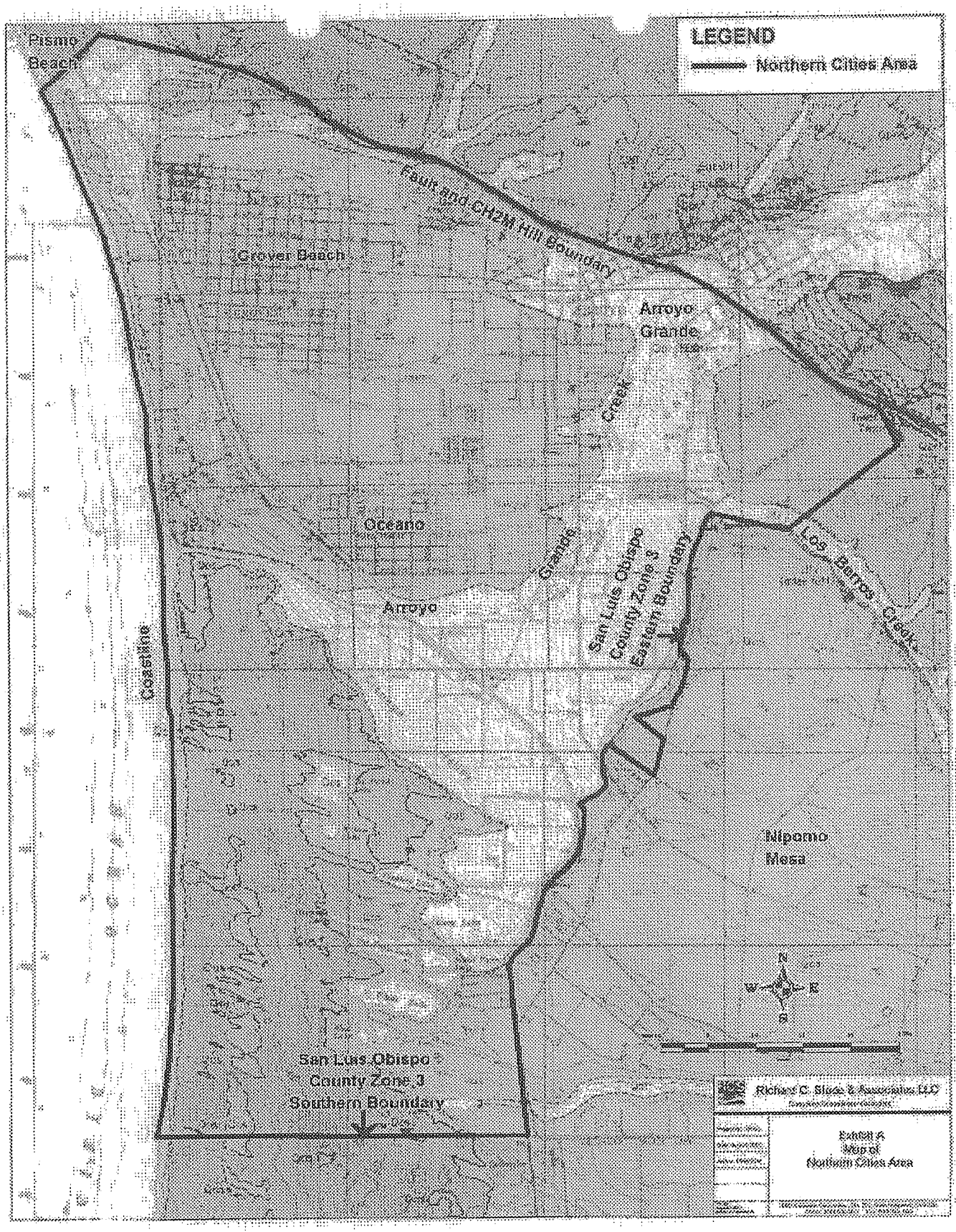
By: *Signature Page Filed with Court*
Title: _____

Dated: April __ , 2002

OCEANO COMMUNITY SERVICES DISTRICT

By: *Signature Page Filed with Court*
Title: _____

EXHIBIT E
Page 10 of 18


LEGEND
Northern Cities Area
Pismo Beach
Grover Beach
Arroyo Grande
Oceano
Arroyo Grande Creek
Los Berros Creek
Coastline
Nipomo Mesa
Fault and CHZM Hill Boundary
San Luis Obispo County Zone 3 Eastern Boundary
San Luis Obispo County Zone 3 Southern Boundary
N
W
E
S
Richard C. Slade & Associates LLC
Exhibit A
Map of
Northern Cities Area

AGREEMENT REGARDING
MANAGEMENT OF THE
ARROYO GRANDE GROUNDWATER BASIN

A. Parties

This Agreement is entered into among the Cities of Arroyo Grande, Pismo Beach, Grover Beach and the Oceano Community Services District (collectively referred to hereinafter as "Parties" or "Urban Parties").

B. Recitals

WHEREAS, in January 1983, a Technical Advisory Committee consisting of representatives of Arroyo Grande, Grover City, Pismo Beach, Oceano Community Services District, Port San Luis Harbor District, the Farm Bureau, Avila Beach County Water District and the County of San Luis Obispo ("Committee") determined in reliance on the 1979 Report of the Department of Water Resources entitled Ground Water in the Arroyo Grande Area that the safe yield of the Arroyo Grande Groundwater Basin ("Basin") is 9,500 acre feet per year;

WHEREAS, in or about February 1983, the Parties agreed to enter into a voluntary groundwater management plan to provide for effective management of groundwater resources in the Basin through which each party was given sufficient water to meet its needs as then projected; such needs being met in part by the City of Arroyo Grande foregoing 358 acre feet per year of its historical use and the City of Pismo Beach foregoing 20 acre feet per year of its historical use;

WHEREAS, this management plan provided a reasonable division of the safe yield of the Basin without court imposed groundwater basin adjudication;

WHEREAS, on February 9, 1983, the terms of the management plan were incorporated into Resolution No. 83-1 of the South San Luis Obispo County Water Association Approving the Recommendations of the Committee relating to the Basin (the "Resolution");

WHEREAS, each of the Parties have adopted individual resolutions endorsing the provisions of the Resolution;

WHEREAS, the Parties have generally complied with the terms and conditions of the Resolution; and

WHEREAS, general compliance with the Resolution has proven to be a fair and efficient means of managing and protecting groundwater resources in the Basin as confirmed by the revised final draft report prepared by the Department of Water Resources entitled, Water Resources of Arroyo Grande and Nipomo Mesa, January 2000.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Division of Safe Yield.

a. The Parties agree to a division of the safe yield of the Basin as follows:

Applied Irrigation	5,300 acre feet
Subsurface flow to ocean	200 acre feet
Urban Use:	
City of Arroyo Grande	1,202 acre feet
City of Grover Beach	1,198 acre feet
City of Pismo Beach	700 acre feet
Oceano Community Services District	900 acre feet

b. Any increase or decrease in the safe yield of the Basin attributable to changed operation of the Lopez Reservoir, or any other cause, shall first be divided between the Urban Parties and applied irrigation on a pro rata basis using the formula from the 1983 Gentlemen's Agreement, fifty-seven percent (57%) to applied irrigation and forty-three percent (43%) to the Urban Parties. Thereafter, the first 378 acre feet per year of any increase of safe yield allocated to the Urban Parties shall be divided between the City of Arroyo Grande and the City of Pismo Beach on a pro rata basis (95% to Arroyo Grande and 5% to Pismo Beach).

c. The entitlements of each respective Urban Party may be increased based upon the conversion of irrigated agricultural lands to urban use. An Urban Party to this Agreement may increase its entitlement for urban use by a factor of three (3) acre feet per acre per year minus the calculated urban usage per acre per year upon the conversion of irrigated agricultural land to urban usage. "Irrigated agricultural land" shall be that land within the corporate limits of the party that was identified as irrigated agricultural land in the 1979 Department of Water Resources Report entitled Ground Water in the Arroyo Grande Area. This agricultural conversion factor may be applied to all acreage converted to urban use from January 1, 1983, throughout the life of this Agreement. Such an agricultural conversion factor is in the best interests of the overall Basin in that it will not result in any decline in the groundwater service over time. The Parties agree that no water should be converted to urban use within the Basin without establishing that it was irrigated agricultural land as defined in the 1979 Department of Water Resources Report, Groundwater in the Arroyo Grande Area.

d. The Parties agree and understand that the safe yield figures utilized in this Agreement are a product of the 1979 Department of Water Resources Report regarding the Arroyo Grande Basin as adjusted by the 1983 ad hoc Technical Advisory Committee and that the division of the resources is based upon the historical use of each party and a practical accommodation of each Party's needs as they existed at the time of the adoption of the 1983

agreement. It is agreed that the Parties will meet and confer on issues related to safe yield and division of existing water resources upon the final adoption of the new Arroyo Grande Basin study performed by the Department of Water Resources, which is currently in draft.

2. Shared Information and Monitoring: The Urban Parties to this Agreement shall freely share information with each other regarding each of their respective uses of groundwater in the Basin, including all pumping data such as amounts of water extracted, well static water levels, and water quality. The Urban Parties to this Agreement shall meet on a quarterly basis to share this information and to discuss water usage and impacts upon the Basin. The Parties shall conduct a review of water usage and the impacts on Basin hydrology in 2010 and 2020.

3. Term:

a. This Agreement shall bind the Parties indefinitely absent a significant change of circumstances as to available water, water quality, or hydrogeology of the Arroyo Grande Basin. A significant change of circumstances shall allow any Party to opt out of this Agreement if the significant change of circumstances put that Party at risk of not being able to meet its potable water needs.

b. Significant changed circumstances shall include changes within the Basin or outside of the Basin, including but not restricted to, a change in the Lopez Reservoir safe yield or an increase in Lopez Reservoir discharges for conservation purposes that threatens the ability of the Urban Parties to obtain their contractual allotments under their Lopez agreements, or a significant change in groundwater yields or quality, or a reduction in foreign water imported by any Urban Party. The Parties recognize that rainfall within the watershed is the most significant factor affecting the yield of Lopez Reservoir and the Basin.

c. The Parties shall revisit the issue of the allocation of groundwater resources within the Arroyo Grande Basin in 2010 and 2020 in the context of the review provided for in section 2 of this Agreement. The Parties shall make new allocations of groundwater resources at that time if circumstances justify it and if no harm will result to other groundwater users. Priority shall be given to reallocation of historical use of groundwater to Arroyo Grande and Pismo Beach that those agencies chose not to pursue in the entering into of the original Gentlemen's Agreement in 1983 should such new allocations be made.

d. A Party may opt out of this Agreement if significant changed circumstances arise as defined in this section. Such a party shall give all other parties to the agreement not less than six months written notice of its intention to opt out. The written notice shall describe in detail the significant changed circumstances upon which the Party bases its election to opt out of the Agreement.

4. Mediation Agreement: The Parties agree to mediate any disputes that arise out of the Parties' performance under this Agreement, or the interpretation of the terms of this Agreement, prior to instituting any litigation against or between any other Party to this Agreement. Should a Party institute litigation without first offering in good faith to mediate any such dispute, any Party may move for an order compelling mediation and staying the proceedings in the litigation until

after mediation has been completed. The prevailing party on a motion to compel mediation shall be entitled to recover its attorney's fees against any resisting party or any party who filed litigation without first making a good faith attempt to mediate the dispute. This mediation requirement shall not apply where the health and safety of any of the Parties, or any of the Parties' residents, is threatened and they must seek, and have obtained, preliminary relief for the purposes of preserving health and safety.

5. No Third Party Beneficiaries: The Parties are entering into this Agreement in order to reasonably allocate existing groundwater resources between themselves and not to benefit any third parties. This agreement shall only be enforceable between the Parties themselves. This Agreement does not create any right enforceable by any person or entity that is not a party to this Agreement.

6. General Provisions:

a. The Parties warrant that all necessary approvals and authorizations have been obtained to bind them to all terms of this Agreement, and further warrant that the persons signing have authority to sign on behalf of their respective Parties.

b. Written notice under this Agreement shall be given by placing such notice in the first class mail, postage prepaid, or by hand delivery to the current address of the office of any Party to this Agreement.

c. No amendment to this Agreement will be binding on any of the Parties unless it is in writing and signed by an authorized representative of all of the Parties.

d. This Agreement will be construed in accordance with, and governed by, the laws of the State of California as applied to contracts that are executed and performed entirely in California.

e. If any provision of this Agreement is held invalid or unenforceable by any final judgment, it is the intent of the Parties that all other provisions of this Agreement be construed to remain fully valid, enforceable, and binding on the Parties.

f. This Agreement may be executed simultaneously in one or more counterparts, each of which will be considered an original, but all of which together will constitute one and the same instrument.

g. The Parties represent that prior to the execution of this Agreement, they consulted independent legal counsel of their own selection regarding the substance of this Agreement.

WHEREFORE, the Parties publicly consent to the terms and conditions of this Agreement by executing the same as set forth below.

Dated: _____, 2001. City of Arroyo Grande

By: _____

Print Name and Title: _____

Dated: _____, 2001. City of Pismo Beach

By: _____

Print Name and Title: _____

Dated: _____, 2001. City of Grover Beach

By: _____
Richard W. Neufeld, Mayor

Dated: _____, 2001. Oceano Community Services District

By: _____

Print Name and Title: _____

EXHIBIT C – NORTHERN LANDOWNER SIGNATURE PAGE FOR SETTLEMENT AGREEMENT

1. I am the owner and/or lessor (*circle one or both*) of at least ten acres of agricultural land in the Northern Cities Area (the area so designated on Exhibit A to this Settlement Agreement).

2. Describe the parcel(s) of agricultural land that you own or lease:

(a) Address(es): _____

(b) Assessor's Parcel Number(s): _____

(c) Number of acres of agricultural land that you own or lease: _____

(d) Approximate number of acre-feet of water pumped annually: _____.

3. I have read this Settlement Agreement. I have obtained such legal advice or other counsel regarding its terms as I deem appropriate. I understand and agree to its terms.

Dated: _____, 2002

Print Name of Owner/Lessor: _____

Title of Signer: _____

Signature: *Signature Page Filed with Court*

EXHIBIT D – SIGNATURE PAGE FOR OTHER PARTIES – WATER PURVEYORS AND LANDOWNERS OUTSIDE NORTHERN CITIES AREA

1. I am a party to the Santa Maria Groundwater Litigation, or the legal representative of such a party.

2. I have read this Settlement Agreement. I have obtained such legal advice or other counsel regarding its terms as I deem appropriate. I understand and agree to its terms.

Dated: _____, 2002

Print Name of Party(ies): _____

Title of Signer: _____

Signature: *Signature Page Filed with Court*

EXHIBIT F

Agreement Among City of Santa Maria, Southern California Water Company and City of Guadalupe Regarding the Twitchell Project and the TMA

Santa Maria Valley Water Conservation District v. City of Santa Maria
Santa Clara County Superior Court Case No. CV 770214

SANTA MARIA VALLEY PUBLIC WATER PURVEYOR WATER MANAGEMENT AGREEMENT

The CITY OF SANTA MARIA ("Santa Maria"), the CITY OF GUADALUPE ("Guadalupe"), and SOUTHERN CALIFORNIA WATER COMPANY ("SCWC") enter into this SANTA MARIA VALLEY PUBLIC WATER PURVEYOR WATER MANAGEMENT AGREEMENT ("Agreement") on this ___ day of _____. Santa Maria, Guadalupe and SCWC are referred to individually as a "Party" and collectively as the "Parties".

RECITALS

A. Santa Maria is a Charter City, providing potable water service to customers within and adjacent to its municipal boundaries.

B. Guadalupe is a general law city, providing potable water service to customers.

C. SCWC is an investor-owned public utility within the meaning of Public Utilities Code section 2400 *et seq.* and operates pursuant to the California Public Utility Act, Public Utilities Code section 200 *et seq.* SCWC provides potable water service to customers within its certificated service area in Santa Barbara County, generally referred to as the "Santa Maria Customer Service Area," which includes four unincorporated areas of Santa Barbara County, commonly known as "Orcutt," "Tanglewood," "Lake Marie," and "Sisquoc," and one unincorporated area in San Luis Obispo County, commonly referred to as the "Nipomo Mesa."

D. On July 20, 2004, Santa Maria and SCWC entered into a Water Management Agreement ("2004 Agreement"), which formalized certain efforts to coordinate the provision of potable water service within their respective service areas. The 2004 Agreement is incorporated herein by reference and remains in full force and effect and is attached as Exhibit A.

E. The Parties have historically relied on local groundwater to provide potable water service to their respective customers and hold rights to pump groundwater ("Groundwater Rights") from the Santa Maria Groundwater Basin ("Basin").

F. The Parties also each hold contracts to receive water from the State Water Project ("SWP Entitlement," collectively, and "Santa Maria SWP Entitlement," "Guadalupe SWP Entitlement," or "SCWC SWP Entitlement," individually). Santa Maria's contract is for 17,800

acre feet, SCWC's contract is for 550 acre feet and Guadalupe's contract is for 610 acre feet. Collectively, the SWP Entitlement totals 18,960 acre-feet per year.

G. The Parties are also litigants in the Santa Maria groundwater basin (*Santa Maria Valley Water Conservation District v. City of Santa Maria, et al.*, Superior Court, County of Santa Clara, Lead Case No. CV 770214 ("Basin Adjudication").

H. The Parties, along with a large number of other litigants, intend to enter into a stipulation ("Stipulation") which will settle the Basin Adjudication among the stipulating parties.

I. This Agreement is that agreement described as Exhibit F in the Stipulation.

NOW THEREFORE, in consideration of the foregoing recitals and the promises and covenants contained herein, the Parties agree as follows:

Section 1. Definitions. The terms used in this Agreement shall have the same definition as provided in the Stipulation, unless expressly provided otherwise in this Agreement.

Section 2. Purpose. The purpose of this Agreement is to provide the mechanism through which the Parties shall meet their obligations as intended in the Stipulation, through that certain agreement designated as Exhibit F.

Section 3. Term. This Agreement shall be effective concurrently with and on the same terms as the Stipulation, and shall remain in effect concurrent with the Stipulation.

Section 4. Twitchell Yield.

4.1 Division. The Parties agree that the 80% of the 32,000 acre-feet of Twitchell Yield shall be allocated as follows: Santa Maria 14,300 acre-feet; Guadalupe 1,300 acre-feet and SCWC 10,000 acre-feet. The Parties acknowledge that the remaining 20% of the Twitchell Yield (6,400 acre-feet) is allocated to the Overlying Owners within the District who are Stipulating Parties, subject to the terms of the Stipulation.

4.2 Transfer of Twitchell Yield. The Parties agree that any proposed transfer of Twitchell Yield to one of the Parties shall be made available to all Parties. Each Party shall be given 30 days advance notice to elect to participate in any proposed transfer. The amount of transferred Twitchell Yield shall be divided between the Parties participating in the transfer in proportion to those Parties' then existing Twitchell Yield. If only one Party participates in the transfer, that Party shall be entitled to the full amount of transferred Twitchell Yield.

Section 5. Twitchell Management Authority.

5.1 All decisionmaking of the TMA shall be conducted, to the extent reasonably practical, on a consensus basis. Provided, however, if consensus cannot be achieved, TMA decisions shall be made by majority vote. Unless otherwise specified, the weight of each Party's voting rights shall be equivalent to its then-existing Twitchell Yield.

5.2 The Parties will work with the other Twitchell Participants to develop rules and regulations governing the TMA.

5.3 Budget. Each Stipulating Party holding Twitchell Yield shall be obligated to fund the TMA in proportion to that Party's then existing Twitchell Yield.

5.3.1 The TMA shall establish its members' funding obligations through a duly adopted budget, which shall project the TMA funding needs in 3-5 year increments, as it deems necessary to meet its obligations to preserve Twitchell Yield. Any TMA budget shall be adopted at least 18 months in advance of its intended implementation to provide adequate time for SCWC to secure PUC approval to fulfill its financial obligations as a member of the TMA. The Parties will to work cooperatively to achieve consensus on the TMA operating budget. If Santa Maria and SCWC are unable to agree on the operating budget, SCWC shall grant Santa Maria a proxy for purposes of the TMA vote on the operating budget. If SCWC grants such a proxy and an operating budget is subsequently approved, SCWC retains the right to challenge any such operating budget through the Court's reserved jurisdiction provided in the Stipulation. SCWC's obligations with respect to any such operating budget is subject to final approval by the PUC.

5.3.2 Consistent with Section V(D)(3)(c) of the Stipulation, the TMA's annual budget for the first five years following PUC approval of the Stipulation shall be as provided in Exhibit B to this Agreement. As provided in Exhibit B, the TMA budget shall include anticipated costs necessary to fund:

5.3.2.1 The Management Area Engineer activities for the Valley Management Area, including the implementation of the Valley Management Area Monitoring Program and the associated preparation of the Annual Report; and

5.3.2.2 The preparation and implementation of the Twitchell Project Manual; and

5.3.2.3 The funding of Twitchell Project operations and capital funds that the TMA determines are necessary to preserve the Twitchell Yield. The requirements for the Twitchell operational fund shall take into account the amount collected by the District from its current operation and maintenance assessment. The Twitchell capital fund shall consist of any unused revenues from the Twitchell operating fund, plus other funds necessary to implement approved Capital Improvement Projects.

5.4 Capital Improvement Projects.

5.4.1 The Parties agree that if one Party proposes a TMA Capital Improvement Project, that Party shall make available to the other Parties the opportunity to participate in the funding of the TMA Capital Improvement Project in proportion to the Parties' share of Twitchell Yield.

5.4.1.1 If a Party chooses not to participate in the funding of the TMA Capital Improvement Project, and that Party's participation is required to implement the Project, the Parties may petition the Court to resolve the issue on an expedited basis.

5.4.1.2 If a Party chooses not to participate in the funding of the TMA Capital Improvement Project, and that Party's participation is not required to implement the Project, the Party or Parties choosing not to participate in the Project shall grant the Party proposing the Project a proxy for purposes of the TMA vote to approve the Project, so long as the proposed Project will not adversely affect a Party's share of Twitchell Yield or otherwise cause material injury to a Party.

5.4.1.3 If fewer than all Parties participate in the funding of a TMA Capital Improvement Project, the Parties who participate in the funding of the Project shall be entitled to the benefits received from the Project in proportion to their financial contribution.

5.4.2 If an emergency situation exists such that a TMA Capital Improvement Project is necessary to abate the emergency, the Parties may petition the Court for an order approving the Project on an expedited basis.

Section 6. **New Urban Uses - SCWC.** The 2004 Agreement is expressed modified only as follows:

6.1 All new customers of SCWC, or existing customers proposing to increase their water use through a change in land use requiring a discretionary land use permit or other form of land use entitlement, as specified in Section X(D)(2) of the Stipulation ("SCWC Project

Proponents") shall provide Supplemental Water to offset the demand associated with that prospective use, through the protocol provided in the 2004 Agreement. The entities that have entered into the Reservation/Purchase Agreements identified on Exhibit C to this Agreement and Exhibit B to the 2004 Agreement are deemed to have satisfied the requirements of this Section and are exempt from the requirements of Section 6.2, below.

6.2 In addition to the fee paid to secure Supplemental Water pursuant to the 2004 Agreement, an additional 20% shall be charged to the SCWC Project Proponent by Santa Maria and shall be placed into either the Twitchell operational fund or the Twitchell capital fund. That incremental charge deposited in the applicable fund, shall be deemed a SCWC contribution to offset any SCWC TMA funding requirements.

Section 7. New Urban Uses – Guadalupe.

7.1 Guadalupe and Santa Maria agree that it is within their mutual interests to cooperate and coordinate their efforts to provide retail water service within their respective service areas.

7.2 Guadalupe and Santa Maria mutually acknowledge the benefits of importing SWP supplies to augment their use of local groundwater.

7.3 It is to the mutual advantage of Guadalupe and Santa Maria to have several alternatives for making use of their SWP Entitlements, Return Flows and Twitchell Yield to create flexibility, reliability, and cost effectiveness in their water supply systems. Santa Maria and Guadalupe shall each have the right to use the other's unused Twitchell Yield in any given year if needed.

7.4 Guadalupe and Santa Maria agree to work cooperatively to provide a reliable and cost effective mechanism through which Santa Maria and Guadalupe can maximize the use of their respective SWP supplies and Return Flows within the Basin. Santa Maria agrees not to oppose any effort by Guadalupe that is based on reliable data to increase the fixed percentage of Guadalupe's SWP Return Flow.

7.5 Santa Maria agrees to work cooperatively with Guadalupe to provide Guadalupe with additional SWP supplies. Guadalupe shall compensate Santa Maria through a specified dollar amount or through an exchange of water resources, as Guadalupe and Santa Maria deem appropriate. As further consideration, Santa Maria shall have a right of first refusal to purchase any SWP Return Flows that Guadalupe elects to sell from its existing SWP Entitle-

ment, and any future SWP Entitlement, that are not for use within or adjacent to Guadalupe's service area.

Section 8. Representations or Warranties of Guadalupe. Guadalupe makes the following representations, warranties and covenants to SCWC and Santa Maria:

8.1 Power and Authority to Execute and Perform this Agreement. Guadalupe has the power and authority to enter into this Agreement and to perform its obligations and all necessary approvals and authorizations have been obtained.

8.2 Enforceability. This Agreement constitutes a legal, valid and binding obligation of Guadalupe, and is enforceable against Guadalupe in accordance with its terms.

Section 9. Representations or Warranties of Santa Maria. Santa Maria makes the following representations, warranties and covenants to SCWC and Guadalupe:

9.1 Power and Authority to Execute and Perform this Agreement. Santa Maria has the power and authority to enter into this Agreement and to perform its obligations and all necessary approvals and authorizations have been obtained.

9.2 Enforceability. This Agreement constitutes a legal, valid and binding obligation of Santa Maria, and is enforceable against Santa Maria in accordance with its terms.

Section 10. Representations or Warranties of SCWC. SCWC makes the following representations, warranties and covenants to Santa Maria and Guadalupe:

10.1 Power and Authority to Execute and Perform this Agreement. SCWC is a corporation duly formed and in good standing in the State of California. Subject to California Public Utility Commission approval, expressly including the ability to recover the costs of implementing this agreement through its authorized regulated utility rates, SCWC has the corporate power and authority to enter into this Agreement and to perform its obligations and all necessary corporate approvals and authorizations have been obtained.

10.2 Enforceability. Subject to California Public Utility Commission approval as provided in section 10.1, this Agreement constitutes a legal, valid and binding obligation of SCWC, enforceable against SCWC in accordance with its terms.

Section 11. Remedies Not Exclusive. Remedies provided in this Agreement for enforcement of its terms are intended and shall be construed as cumulative rather than exclusive and shall not be deemed to deprive any Party from also using any other remedies provided by this Agreement or by law.

Section 12. **Subject to Applicable Law.** The Parties acknowledge and agree that this Agreement and the rights and obligations of the Parties shall be subject to the laws governing municipal corporations as they now exist and as they may be amended or codified by the Legislature of the State of California.

Section 13. **Integration.** This Agreement shall be integrated with, and interpreted in companion with the 2004 Agreement, the Stipulation, and the final judgment entered in the Basin Adjudication that is based upon the Stipulation. These set of agreements contain the entire understanding between SCWC, Santa Maria and Guadalupe with respect to the subject matter, and supersede all prior agreements, oral or written, and all prior or contemporaneous discussions or negotiations between SCWC, Santa Maria and Guadalupe. This Agreement cannot be amended except in writing signed by all Parties.

Section 14. **No Waiver.** Any failure or delay on the part 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.

Section 15. **Notices.** All notices or other communications required or desired to be given pursuant to this Agreement shall be in writing and shall be hand-delivered, or mailed by certified mail, return receipt requested, or sent by a reputable overnight courier service providing delivery confirmation. Each such notice or communication shall be deemed to be duly given when hand-delivered, or three (3) days after being mailed in any depository maintained by the United States Postal Service, with prepaid postage, certified, return receipt requested or one (1) day after being deposited for next day delivery with Federal Express or other reputable overnight courier. Each such notice or communication shall be addressed to the Parties at their respective addresses set forth next to their signatures below, or such other address as a Party notifies the other in writing.

Section 16. **Headings; Section References**. Captions and headings appearing in this Agreement are inserted solely as reference aids for the ease and convenience; 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.

Section 17. **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.

Section 18. **Binding Effect Assignment**. This Agreement shall only be binding on and inure to the benefit of the Parties, and their respective successors and permitted assigns. No Party shall assign this Agreement except with the prior written approval of the other Parties. Any unauthorized attempt to assign this Agreement shall be null and void. Notwithstanding the foregoing, SCWC shall have the right to assign this Agreement to any affiliate.

Section 19. **Attorneys Fees**. In the event that any action or proceeding is brought to enforce one or more of the terms of this Agreement, to restrain an alleged violation of this Agreement, or to determine the validity of this Agreement or any part, the prevailing Party in any such action or proceeding shall be entitled to recover from the other its reasonable costs and attorneys' fees, in addition to any other remedies available to it in law or equity. If all Parties are successful in one or more causes of action during any such proceeding, the costs and fees shall be apportioned as determined by the Court.

Section 20. **Force Majeure.** If by reason of acts of God, earthquakes, floods, storms, explosion, fires, labor troubles, strikes, insurrection, riots, acts of the public enemy, or federal, state, or local law, order, rule, or regulation, any Party is prevented from complying with any condition of this Agreement, then while so prevented the condition shall be suspended and the Party shall be relieved of the obligation of complying with such covenant and shall not be liable for damages for failure to comply with it. Any obligation of any Party shall be extended for as long as it is so prevented from complying with any condition or covenant in the Agreement.

Section 21. **Dispute Resolution, Governing Law and Venue**. This Agreement is a contract governed in accordance with the laws of the State of California. The Parties agree that if any dispute arises with respect to any provision of this Agreement, the Parties shall meet and confer in an attempt to resolve any such disputes. If, after 90 days, the meet and confer process is unsuccessful, the dispute shall be presented for Court review and determination pursuant to the Court's reserved jurisdiction and judicial review provisions provided in the Stipulation.

Section 22. **Counterparts**. This Agreement may be signed in any number of counterparts, including counterparts by facsimile signature, each of which shall be deemed an original,

but all of which shall together constitute one and the same instrument. The original signature pages shall be filed with the Court as Exhibit F to the Stipulation.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date first written above.

CITY OF SANTA MARIA:

City of Santa Maria
a California municipal corporation

By: _____
Name: _____
Title: _____

Address: _____
_____

Fax: _____
Phone: _____

SCWC:

Southern California Water Company,
a California corporation

By: _____
Name: Denise L. Kruger
Title: Senior Vice President of Operations

Address: 3035 Prospect Park, Suite 60
Rancho Cordova, CA 95670

Fax: (916) 853-3674
Phone: (916) 853-3606

CITY OF GUADALUPE

City of Guadalupe,
a California municipal corporation

By: _____
Name: _____
Title: _____

Address: _____
_____

Fax: _____
Phone: _____

APPROVED AS TO FORM:

By: _____
Guadalupe City Attorney

EXHIBIT A
to
STIPULATION EXHIBIT F

WATER MANAGEMENT AGREEMENT

This Water Management Agreement ("Agreement") is made and entered into this 30th day of June 2004, by and between the CITY OF SANTA MARIA ("City"), a California municipal corporation, and SOUTHERN CALIFORNIA WATER COMPANY, a California corporation ("SCWC"). The City and SCWC are referred to individually as a "Party" and collectively as the "Parties".

RECITALS

A. The City is a Charter City. The City provides potable water service to customers within the greater Santa Maria area of Santa Barbara County.

B. SCWC is an investor-owned public utility within the meaning of Public Utilities Code Section 2400, *et seq.* and operates pursuant to the California Public Utility Act, Public Utilities Code Section 200, *et seq.* SCWC provides potable water service to customers within its certificated service area in Santa Barbara County, generally referred to as the "Santa Maria Customer Service Area", which includes four unincorporated areas of Northern Santa Barbara County, commonly known as "Orcutt," "Tanglewood," "Lake Marie," and "Sisquoc," and one unincorporated area in San Luis Obispo County, commonly referred to as the "Nipomo Mesa."

C. The City and SCWC have historically cooperated and coordinated their efforts to provide retail water service within their respective service areas.

D. Both the City and SCWC have historically relied on local groundwater to provide potable water service to their respective customers and both hold rights to pump groundwater ("Groundwater Rights") from the Santa Maria Groundwater Basin ("Basin").

E. The City and SCWC also each hold contracts to receive water from the State Water Project ("SWP Entitlement," collectively, and "City SWP Entitlement" or "SCWC SWP Entitlement," individually). Collectively, their contract entitlements total 18,350 acre-feet per year.

F. Both the City and SCWC are legally entitled to retain and recapture that portion of their respective SWP Entitlement that recharges the Basin after the consumptive use of the SWP Entitlement ("Return Flows").

G. The City and SCWC mutually acknowledge the benefits of importing SWP supplies to augment their use of local groundwater.

H. It is to the mutual advantage of the City and SCWC to have several alternatives for making use of their SWP Entitlements, Return Flows and Groundwater Rights, to create flexibility, reliability and cost-effective redundancy in their water supply systems.

I. The County of Santa Barbara ("County") regulates the land use activities within Orcutt. In 1997, the County adopted the Orcutt Community Plan ("OCP"), which establishes, among other things, certain policies regarding water supplies to be secured for new development projects in Orcutt ("Project" or "Projects"). The OCP was amended in 2001. In particular, the OCP requires that the water demand associated with Projects be offset by "supplemental" water supplies that do not result in further overdraft of the Basin ("OCP Water Policies").

J. As of the date of this Agreement, SCWC has fully reserved the SCWC SWP Entitlement for the benefit of Projects (See Section 3 below). In addition, without significant investment in and construction of additional capital facilities and/or the access to City facilities as provided in this Agreement, SCWC is unable to take delivery of the full extent of its SCWC SWP Entitlement.

K. Without the construction of additional capital facilities that extend the SCWC SWP turnout from Tanglewood to Orcutt, SCWC is unable to take delivery of any additional alternative sources of water that may comply with the OCP Water Policies, except as provided in this Agreement.

L. The City has elected to make available to certain Project proponents within Orcutt supplemental water supplies that will satisfy the OCP Water Policies applicable to Projects. (See City Resolution 2003-150, attached as Exhibit "A" ("Resolution 2003-150").)

M. SCWC and the City are also parties to litigation regarding water rights in the Santa Maria groundwater basin (*Santa Maria Valley Water Conservation District v. City of Santa Maria, et al.*, Superior Court, County of Santa Clara, Lead Case No. CV 770214 ("Basin Adjudication")

N. The Parties intend that this Agreement provide a reliable and cost effective mechanism through which the City and SCWC can maximize the use of their respective SWP supplies within the Basin, while making the most efficient use of existing facilities to take delivery of the Parties' respective SWP supplies.

O. The Parties also intend that this Agreement establish a mechanism through which potential new SCWC customers in Orcutt may access supplemental water through the City, consistent with the OCP Water Policies.

NOW THEREFORE, in consideration of the foregoing recitals and the promises and covenants contained herein, the Parties agree as follows:

Section 1. Purpose. The purposes of this Agreement are to: (a) provide a reliable and cost effective mechanism through which the City and SCWC can maximize the use of their respective SWP supplies within the Basin, (b) make the most efficient use of existing facilities to take delivery of the Parties' respective SWP supplies, (c) secure a reliable means of accessing Supplemental Water (defined below), and (d) fairly allocate the costs of obtaining and using Supplemental Water within the Basin. Nothing in this Agreement shall be interpreted to impose on either Party any obligation that might arise out of the final judgment entered in the Basin Adjudication, other than as expressly provided in this Agreement.

Section 2. Term.

2.1 This Agreement shall be effective on the date first written above ("Effective Date") and shall continue to February 25, 2038, and thereafter shall remain in effect for so long as both the City and SCWC remain SWP contractors ("Term").

2.2 While the Parties contend PUC approval of this Agreement is not required, should the PUC rule that PUC approval is required and that approval of the Agreement as written is denied, the Parties shall make every reasonable effort to modify the Agreement in a manner that the PUC will approve and that also preserves its original, essential terms.

Section 3. Right to Acquire Water.

3.1 The Parties acknowledge that given the limits of existing facilities, SCWC is unable to take full delivery of the SCWC SWP Entitlement through its existing SWP facilities because the water demand in the area with direct access to the SCWC SWP Entitlement (Tanglewood) is significantly less than the full SCWC SWP Entitlement. Further, SCWC has fully committed to those Projects listed in Exhibit "B" ("Committed Projects") SCWC's SWP Entitlement and the use of SCWC's existing facilities to make use of the SCWC SWP Entitlement reserved to the benefit of the Committed Projects. To take delivery of the entirety of the SCWC SWP Entitlement, SCWC must either construct additional capital facilities to extend the

SWP turnout from Tanglewood to Orcutt, and/or obtain the rights to rely on the interconnection between the SCWC and City systems, as provided in this Agreement.

3.2 SCWC agrees that, given its geographic proximity to and existing interconnection with SCWC, the City provides the best, most cost effective, and logical source of Supplemental Water for the benefit of Projects in Orcutt to which SCWC would provide retail potable water service.

3.3 For the purpose of this Agreement, "Supplemental Water" shall mean a portion of the yield of the SWP Entitlement held by the City, or a portion of the historic groundwater rights to the Basin held by the City in accordance with the final judgment entered in the Basin Adjudication.

3.4 In working with Project proponents, SCWC agrees that prior to accepting any water that is intended to satisfy the OCP Water Policies, other than the SCWC SWP Entitlement, Supplemental Water and that obtained under Section 7.1, SCWC shall:

3.4.1 Refer to the City any Project proponent that requests water service from SCWC that is also subject to the OCP Water Policies; and

3.4.2 Allow sufficient time for the City and the Project proponent to attempt to make arrangements consistent with the OCP Water Policies, this Agreement and other applicable considerations.

3.5 The City shall make available Supplemental Water to Projects in Orcutt pursuant to Resolution 2003-150 or a substantially similar policy. The City shall not unreasonably withhold Supplemental Water from Projects in Orcutt.

3.6 If any portion of SCWC's SWP Entitlement becomes uncommitted (i.e., a Committed Project is not approved for development or if the County adjusts upward the reliability factor it applies to SCWC SWP Entitlement), SCWC shall use the uncommitted SCWC SWP Entitlement as specified in this Section 3.6 and the Parties shall undertake the following:

3.6.1 SCWC shall provide written notice to the City of the availability of the SCWC SWP Entitlement ("Notice of Availability"), specifying the quantity of SCWC SWP Entitlement that has become available. Within 45 days of the Notice of Availability, the City shall pay to SCWC $22,000 per acre foot, adjusted annually based on the consumer price index Los Angeles-Riverside-Orange County), for the SCWC SWP Entitlement specified in the Notice of Availability. Upon provision of payment to SCWC, the City, at its sole discretion, may make

available to Project(s) in Orcutt, as otherwise provided in this Agreement, this SCWC SWP Entitlement as though it is Supplemental Water. SCWC shall continue to use the SCWC SWP Entitlement as though it is fully committed for the benefit of Projects in Orcutt.

3.7 SCWC shall be relieved of its obligation to refer the Project proponent to the City as provided in subsection 3.4, during any period which:

3.7.1 The City determines that the City has no additional Supplemental Water available for use in Orcutt, or the County determines that the City has no additional Supplemental Water available for use in Orcutt. If the Parties disagree with the County's determination, the Parties agree to use their reasonable best efforts to convince the County that the City does have available Supplemental Water.

3.8 After January 1, 2014, SCWC shall be relieved of its obligation to refer the Project Proponent to the City as provided in subsection 3.4, if one or more of the following conditions applies:

3.8.1 A source of water becomes available to SCWC for use in the Basin at a cost less than the cost of the City's Supplemental Water, on a per acre foot basis;

3.8.2 The Parties agree to meet and confer in good faith to attempt to resolve any issues that arise pursuant to this Section 3.8 prior to SCWC seeking an alternative source of water.

3.9 The Parties acknowledge and agree that this Agreement is not a mechanism through which SCWC may use the City's water distribution system to access alternative sources of water, either directly or indirectly, except as expressly provided in this Agreement.

Section 4. **Interconnection.** The Parties have previously established an interconnection between their respective water distribution facilities, consisting of a two-way meter, meter vault and appurtenances located inside the meter vault ("Interconnection"). The Interconnection is located at Miller Street and Santa Maria Way. The maintenance, repair and improvements to the Interconnection shall be managed as follows:

4.1 The Parties shall share equally the costs of all maintenance and repairs on the Interconnection. SCWC shall be responsible for physically implementing the ongoing maintenance and repair of the Interconnection, subject to the City's prior review of the maintenance and repair plans.

4.2 The Parties shall share the costs of any needed improvements to the Interconnection one-fourth (¼) by the City and three-fourths (¾) by SCWC. Unless otherwise arranged between the Parties, SCWC shall be responsible for physically implementing any improvements to the Interconnection. The City shall provide prior input and approval of any improvements to the Interconnection.

4.3 Both the City and SCWC shall have reasonable access to the meter at the Interconnection.

Section 5. Delivery of Water Through the Interconnection. Either Party may take delivery of water through the Interconnection subject to the following conditions (for the purpose of this Agreement, the Party taking delivery shall be referred to as the "Receiving Party" and the Party supplying the water shall be referred to as the "Supplying Party"):

5.1 As a Receiving Party, SCWC shall have a first priority right to use the Interconnection to take delivery each Year (defined below) of only that amount of SCWC SWP Entitlement that SCWC cannot take delivery of through SCWC's own facilities. In addition, each Year, SCWC's receipt of water through the Interconnection pursuant to this Section shall be limited to that quantity of SCWC's SWP Entitlement SCWC has made available for the City's receipt during that Year, at the City's SWP turnout within the City. The City may impose reasonable limitations on the rate of water SCWC takes through the Interconnection subject to this subsection 5.1.

5.2 Subject to SCWC's use of the Interconnection as provided in Section 5.1, either Party may use the Interconnection to take delivery of water by providing the Supplying Party at least 48 hours advance notice of the quantity and rate at which water will be taken.

5.3 Other than as provided in subsection 5.1, the Supplying Party may impose reasonable limitations on the rate and quantity of water to be taken through the Interconnection. Each Party is under an affirmative obligation to accommodate reasonable requests for use of the Interconnection, subject to SCWC's priority right provided in Section 5.1. Unless otherwise agreed between the Parties, the use of the Interconnection other than as provided in Section 5.1 shall be interim and temporary in nature.

5.4 Payment for receipt of water through the Interconnection shall be made in accordance with Section 6.

Section 6. **Payments for Delivered Water.** The Receiving Party shall pay to the Supplying Party for receipt of water through the Interconnection, as follows:

6.1 Section 5.1 deliveries. For use of the Interconnection as provided in Section 5.1, SCWC shall pay to the Central Coast Water Authority ("CCWA") all costs associated with making available to the City, at the City's SWP turnout within the City, that quantity of the SCWC SWP Entitlement equivalent to that amount of water SCWC intends to receive through the Interconnection. Payment shall be made in accordance with applicable CCWA policies.

6.2 Section 5.2 deliveries. For delivery of water obtained through the Interconnection pursuant to Section 5.2, the Receiving Party shall pay the Supplying Party a per acre-foot charge equivalent to the Supplying Party's cost of producing the water for that Year. The Supplying Party shall determine cost of producing water and shall provide the Receiving Party with an itemized statement summarizing those costs. The Parties agree to meet and confer in good faith regarding any dispute in determining the cost of producing water.

6.3 Neither Party shall be obligated to pay any charge, other than as provided in this Section.

6.4 For the purpose of this Agreement, a "Year" shall refer to a water year commencing on October 1 and ending in the subsequent year on September 30. The Payments required in Section 6.2 shall be made annually, on or before November 1 of each Year, based on actual metered receipt of water through the Interconnection.

Section 7. **Additional Supplemental Water.** In exchange for the commitments in Section 3 and as an element of consideration for those commitments, the City hereby provides to SCWC, upon the Effective Date, the right to take delivery of 20 acre-feet of Supplemental Water annually for the Term of this Agreement, at no cost to SCWC. The City provides these 20 acre-feet of Supplemental Water under the same terms and conditions provided in Resolution 2003-150. If the County determines that Supplemental Water provided pursuant to Resolution 2003-150 does not satisfy the OCP Water Policies, the City shall provide SCWC at no cost, 20 acre-feet per year of water through the Interconnection, in addition and subject to the same priority as that amount of water SCWC can obtain under Section 5.1. SCWC shall have the right to use 20 acre-feet of water provided in this Section 7 for the benefit of any residential Project.

Section 8. **Service Area Integrity.** Nothing in this Agreement is intended nor shall it be interpreted to waive either Party's rights to provide water service to current or future areas within or adjacent to their existing service areas. Should the City seek to acquire (by any means) any portion of, or all of the SCWC certificated service area in SCWC's Santa Maria Customer Service Area, the City shall pay as fair compensation, the greater of 10 times the SCWC rate base or the court-approved fair compensation.

Section 9. **Representations or Warranties of City.** The City makes the following representations, warranties and covenants to SCWC:

9.1 Power and Authority to Execute and Perform this Agreement. The City has the power and authority to enter into this Agreement and to perform its obligations and all necessary approvals and authorizations have been obtained.

9.2 Enforceability. This Agreement constitutes a legal, valid and binding obligation of the City, and is enforceable against the City in accordance with its terms.

Section 10. **Representations or Warranties of SCWC.** SCWC makes the following representations, warranties and covenants to City:

10.1 Power and Authority to Execute and Perform this Agreement. SCWC is a corporation duly formed and in good standing in the State of California. Subject to the conditions of Section 2.2, SCWC has the corporate power and authority to enter into this Agreement and to perform its obligations and all necessary corporate approvals and authorizations have been obtained. The City agrees that nothing in this representation, warranty or covenant shall be interpreted or applied to negate the City's indemnity obligations provided in Section 12.

10.2 Enforceability. This Agreement constitutes a legal, valid and binding obligation of SCWC, enforceable against SCWC in accordance with its terms.

Section 11. **Termination.** This Agreement shall terminate as described in Section 2. If this Agreement is terminated prior to the expiration of the Term, its termination shall not impact: (a) any other agreements regarding Supplemental Water between the City and Project proponents, and SCWC and Project proponents, (b) the provision of water to SCWC pursuant to Section 7 and (c) the payments and associated commitments, if any, regarding the SCWC SWP Entitlement between the City and SCWC made pursuant to Section 3.6.

Section 12. Indemnity.

12.1 The City shall hold harmless, defend and indemnify SCWC, its directors, employees, agents, successors and assigns (all of which are herein referred to as the "SCWC Indemnified Parties") from and against all liabilities, obligations, claims, damages, losses, actions, judgments, suits, costs and expenses, including but not limited to reasonable attorneys' fees (collectively, "Damages"), which may be imposed on, incurred by, or asserted against the SCWC Indemnified Parties as a result of or arising out of the restrictions placed on SCWC's access to Supplemental Water as provided in Section 3, and/or the implementation of this Agreement as of the Effective Date as provided in Section 2. This indemnification shall survive termination of the Agreement.

12.2 Promptly following notice of any claim for which SCWC is indemnified, SCWC shall notify the City of such claim in writing. The City shall thereafter defend against such claim, in consultation with SCWC, in a manner the Parties mutually deem appropriate, including settlement on such terms as SCWC and the City both approve. The City and SCWC shall mutually select counsel. SCWC may also elect to have separate representation at its sole discretion and cost. If the City fails to promptly defend such claim, SCWC may defend the claim in any manner it deems appropriate and with counsel of its choice, including without limitation, settlement of the claim on terms SCWC deems appropriate, and to pursue such remedies as may be available to SCWC against the City.

Section 13. Remedies Not Exclusive. Remedies provided in this Agreement for enforcement of its terms are intended and shall be construed as cumulative rather than exclusive and shall not be deemed to deprive either Party from also using any other remedies provided by this Agreement or by law.

Section 14. No Transfer of Water Rights or Contracts. The rights granted pursuant to this Agreement constitute the right to take delivery of water only and shall not be interpreted as a sale, transfer, or assignment of either Party's water rights or contract entitlements.

Section 15. Subject to Applicable Law. The Parties acknowledge and agree that this Agreement and the rights and obligations of the Parties shall be subject to the laws governing municipal corporations as they now exist and as they may be amended or codified by the Legislature of the State of California.

Section 16. **Entire Agreement.** This Agreement contain the entire understanding between SCWC and the City with respect to the subject matter, and supersedes all prior agreements, oral or written, and all prior or contemporaneous discussions or negotiations between SCWC and the City. This Agreement cannot be amended except in writing signed by both Parties.

Section 17. **No Waiver.** Any failure or delay on the part either 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.

Section 18. **Notices.** All notices or other communications required or desired to be given pursuant to this Agreement shall be in writing and shall be hand-delivered, or mailed by certified mail, return receipt requested, or sent by a reputable overnight courier service providing delivery confirmation. Each such notice or communication shall be deemed to be duly given when hand-delivered, or three (3) days after being mailed in any depository maintained by the United States Postal Service, with prepaid postage, certified, return receipt requested or one (1) day after being deposited for next day delivery with Federal Express or other reputable overnight courier. Each such notice or communication shall be addressed to the Parties at their respective addresses set forth next to their signatures below, or such other address as a Party notifies the other in writing.

Section 19. **Headings; Section References**. Captions and headings appearing in this Agreement are inserted solely as reference aids for the ease and convenience; 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.

Section 20. **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.

Section 21. **Binding Effect Assignment**. This Agreement shall be binding on and inure to the benefit of the Parties, and their respective successors and permitted assigns. Neither Party shall assign this Agreement except with the prior written approval of the other Party. Any

unauthorized attempt to assign this Agreement shall be null and void. Notwithstanding the foregoing, SCWC shall have the right to assign this Agreement to any affiliate.

Section 22. **Attorneys Fees**. In the event that any action or proceeding is brought to enforce one or more of the terms of this Agreement, to restrain an alleged violation of this Agreement, or to determine the validity of this Agreement or any part, the prevailing Party in any such action or proceeding shall be entitled to recover from the other its reasonable costs and attorneys' fees, in addition to any other remedies available to it in law or equity. If both Parties are successful in one or more causes of action during any such proceeding, the costs and fees shall be apportioned as determined by the court.

Section 23. **Force Majeure**. If by reason of acts of God, earthquakes, floods, storms, explosion, fires, labor troubles, strikes, insurrection, riots, acts of the public enemy, or federal, state, or local law, order, rule, or regulation, either Party is prevented from complying with any condition of this Agreement, then while so prevented the condition shall be suspended and the Party shall be relieved of the obligation of complying with such covenant and shall not be liable for damages for failure to comply with it. Any obligation of either Party shall be extended for as long as it is so prevented from complying with any condition or covenant in the Agreement.

Section 24. **Governing Law and Venue**. This Agreement is a contract governed in accordance with the laws of the State of California. THE PARTIES HEREBY AGREE THAT VENUE FOR ANY ACTION BROUGHT TO ENFORCE THE TERMS OF THIS AGREEMENT SHALL BE IN A COURT OF COMPETENT JURISDICTION IN THE COUNTY OF SANTA BARBARA, CALIFORNIA, AND CONSENT TO THE JURISDICTION THEREOF.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date first written above.

CITY:

City of Santa Maria
a California municipal corporation

By: _____
Name: L. J. Lavagnino
Title: Mayor

SCWC:

Southern California Water Company,
a California corporation

By: _____
Name: Denise L. Kruger
Title: Senior Vice President of Operations

Address: 110 E. Cook Street
Santa Maria, CA 93454

Fax: (805) 349-0657
Phone: (805) 925-0951, ext. 200

Address: 3035 Prospect Park, Suite 60
Rancho Cordova, CA 95670

Fax: (916) 853-3674
Phone: (916) 853-3606

APPROVED AS TO FORM:

Best Best & Krieger LLP

By: _____
Eric Garner, Partner

ATTEST:

_____
Patricia A. Perez
Chief Deputy City Clerk

EXHIBIT A

RESOLUTION NO. 2003 - 150

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA APPROVING THE SALE OF UP TO 400 ACRE-FEET ANNUALLY OF SUPPLEMENTAL STATE WATER PROJECT YIELD AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS FOR THE SALE OF UP TO 400 ACRE-FEET ANNUALLY OF SUPPLEMENTAL STATE WATER PROJECT YIELD

WHEREAS, the City of Santa Maria ("City") holds contracts to receive water from the State Water Project ("Project"), and can import up to 17,820 acre feet of water per year from the Project; and

WHEREAS, the City also holds rights to pump groundwater from the Santa Maria Valley Groundwater Basin ("Basin"); and

WHEREAS, the County of Santa Barbara ("County") regulates the land use activities within the Orcutt area. In 1997, the County adopted the Orcutt Community Plan ("OCP"), which establishes, among other things, certain policies regarding water supplies to be secured for new development projects in Orcutt. The OCP requires that the water demand associated with projects be offset by "supplemental" water supplies that do not result in further overdraft of the Basin; and

WHEREAS, the City has water available for use in the Orcutt area pursuant to the OCP, that is surplus to that needed to serve the City's current and long-term future anticipated demands; and

WHEREAS, "Supplemental Water" shall mean a portion of the yield of the SWP entitlement held by the City, or a portion of the historic groundwater rights to the Basin held by the City in accordance with the final judgment entered in *Santa Maria Valley Water Conservation District v. City of Santa Maria, et al.*, Superior Court, County of Santa Clara, Lead Case No. CV 770214; and

WHEREAS, the sale of up to 400 acre-feet of Project water will not change the existing setting and will not affect the net amount of water that will be extracted from the Basin; and

WHEREAS, the City is willing to enter into agreements to provide up to 400 acre-feet annually of supplemental water to individual property owners for the benefit of the individual property owners and their associated Projects.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Santa Maria as follows:

1. The City Council approves the sale of up to 400 acre-feet annually of Supplemental water.

2. The City Manager is authorized and directed to execute agreements substantially in the form provided for the sale of up to 400 acre-feet of Supplemental water per year for municipal use for the purpose of satisfying the Orcutt Community Plan's policies regarding water supplies.

3. City staff is hereby authorized to make minor changes to the final agreement and directed to file any and all notices that may be required by law.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Santa Maria held August 5, 2003.

/S/ L. J. LAVAGNINO

Mayor

ATTEST:

/s/PATRICIA A. PEREZ

City Clerk

APPROVED AS TO FORM:

BY: _____

CITY ATTORNEY

CONTENTS:

BY: _____

DEPARTMENT HEAD

BY: _____

CITY MANAGER

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA) ss.
CITY OF SANTA MARIA)

I, **RHONDA M. GARIETZ**, Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of **Resolution No. 2003-150** which was duly and regularly introduced and adopted by said City Council at a regular meeting held **August 5, 2003**, by the following vote:

AYES: **Councilmembers Mariscal, Orach, Patino, Trujillo and Mayor Lavagnino.**

NOES: **None.**

ABSENT: **None.**

ABSTAIN: **None.**

Deputy City Clerk of the City of Santa Maria
and ex officio Clerk of the City Council

EXHIBIT B

SCWC SWP ENTITLEMENT: PROJECT LIST

PROJECT	TYPE	QUANTITY
Oak Knolls South	Residential	3.36 af
Mesa Verde	Residential	33 af
Orthodox Church	Commercial	1.6 af
Fundamental Baptist Church	Commercial	0.6 af
Orcutt Marketplace	Commercial	37 af
Rice Ranch	Residential	350 af
Eskridge Lot Split	Residential	0.5 af
Diamante Estates	Residential	9 af
Hummel Village/Senior Housing	Commercial/Residential	3.5 af
TOTAL		**438.6*af**

* Because the County of Santa Barbara considers State Water Project water less than 100% reliable, the County applies a reliability factor to the SCWC SWP Entitlement. For the purposes of the projects on this Exhibit B, the County has adopted a 79% reliability factor for the SCWC SWP Entitlement. Based on this reliability factor, the County considers the entirety of the SCWC SWP Entitlement fully committed.

EXHIBIT B
to
STIPULATION EXHIBIT F

DRAFT: Subject to Ratification by the TMA

Exhibit B

SANTA MARIA VALLEY PUBLIC WATER PURVEYOR WATER MANAGEMENT AGREEMENT

Twitchell Management Authority
Annual Budget
Applicable for 2006-2011

Item	Amount
Administration	$50,000
Management Area Engineer	$100,000
Twitchell Operation (including Twitchell Project Manual)	$300,000
Monitoring Program/Annual Report	$100,000
Reserves	$100,000

EXHIBIT C
to
STIPULATION EXHIBIT F

SUPPLEMENTAL WATER PURCHASE AGREEMENTS

City of Santa Maria and OakGlen General Partnership dated July 31, 2003 – Project known as OakGlen – 22 afy.

City of Santa Maria and Ronald Chappell and Raymond Gonzales dated July 31, 2003 – Project known as 1374 Solomon – 1 afy.

City of Santa Maria and SB Clark LLC dated July 31, 2003 – Project known as Clark Ranch Estates – 200 afy.

City of Santa Maria and Wellmack dated August 18, 2003 – Project known as Jensen's Crossing/Cobblestone Creek –59 afy.

City of Santa Maria and Harpstone Parntership LP dated August 18, 2003 – Project known as Harp Springs – 26.5 afy.

City of Santa Maria and Stonegate Development LP dated August 18, 2003 – Project StoneGate – 11 afy.

City of Santa Maria and Old Mill Orcutt Venture, LLC dated August 18, 2003 – Project known as Old Mill – 26 afy.

City of Santa Maria and Andy Fetyko dated January 15, 2004 – Project known as Keysite 10 – 10 afy.

City of Santa Maria and Steve LeBard and Debbie LeBard dated February 11, 2004 – Project known as LeBard Project – 2 afy.

City of Santa Maria and Knollwood Properties LP dated March 23, 2004 – Project known as Knollwood Meadows Phase II – 10 afy.

City of Santa Maria and Walter Mendoza dated May 19, 2003 – 1 afy.

City of Santa Maria and Darren Hulstine dated November 17, 2004 – Property located at 1430 Solomon Road – 1 afy.

City of Santa Maria and Cameron Realty Partners dated July 28, 2004 – Project known as Keysite 10 – 10 afy.

City of Santa Maria and David Daniels undated – Project known as 520 W. Rice Ranch Road – ½ afy.

City of Santa Maria and Chris Henderson dated November 30, 2004 – Project known as 295 Siles Lane -- +/- ½ afy.

City of Santa Maria and Simonsen & Associates dated March 1, 2005 – Project known as

Hummel Village II – 3.01 afy.

City of Santa Maria and East Clark Avenue Partnership undated but returned signed on May 9, 2005 – Project known as 250 E. Clark Avenue – 4 afy.

City of Santa Maria and Thor Gjerdrum dated May 12, 2005 – Project known as Rice Oak -- .75 afy

EXHIBIT G

Court's Order Concerning Electronic Service of Pleadings and Electronic Posting of Discovery Documents dated June 27, 2000

Santa Maria Valley Water Conservation District v. City of Santa Maria
Santa Clara County Superior Court Case No. CV 770214

ENDORSED
FILED
JUN 28 2000
STEPHEN V. LOVE
Chief Executive Officer
Superior Court of the County of Santa Clara
By _____ Deputy

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SANTA CLARA

DEPARTMENT 17

SANTA MARIA VALLEY WATER CONSERVATION DISTRICT, a public entity, Plaintiff, vs. CITY OF SANTA MARIA, et al., Defendant And Related Cross-Actions and Actions Consolidated For All Purposes	SANTA MARIA GROUNDWATER LITIGATION Case No. CV770214 ORDER CONCERNING ELECTRONIC SERVICE OF PLEADINGS AND ELECTRONIC POSTING OF DISCOVERY DOCUMENTS Consolidated Cases: CV784900; CV784921; CV784926; CV785509; CV785511; CV785515; CV785522; CV785936; CV786971; CV787150; CV787151; CV787152 San Luis Obispo County Superior Court Cases: 990738 and 990739

I. INTRODUCTION

A. The Court, through its Complex Civil Litigation Pilot Project, will host a Website to provide:

1. Electronic service on the parties of pleadings, discovery requests, discovery responses, and other documents to be served, and electronic access by the parties to all such pleadings, requests, responses, and other documents served;

2. Electronic production of documents, and electronic access by the parties to all such documents produced; and

3. A place for the electronic posting of deposition transcripts (as made available by

the attorneys) and transcripts of Court proceedings (when they are brief) and access to such transcripts by the parties.

B. The Website address is http://www.sccomplex.org. A dedicated link to the Santa Maria Groundwater Litigation is contained on the home page of this site.

C. The Court's Website will be maintained, and the tasks required of the Website will be conducted by, the Court's outside Website Vendor:

Andy Jamieson
Global Transactions, Inc.
519 17th St., Oakland, CA 94612
Telephone: 510-548-9050
Email: ajam@glotans.com

D. This Order supercedes and entirely replaces parts VII ("Document Repository") and VIII ("Filing and Service of Papers") of the Court's Case Management Order No. 4. All other parts of Case Management Order No. 4 remain unaffected.

E. The term "Document Repository" as used in Case Management Order No. 4 shall mean the Court's Website.

II. SERVICE LISTS

A. The firm of Hatch & Parent shall compile an initial service list consisting of the service addresses of all parties to the case.

B. On or before July 7, 2000, all parties shall submit to Hatch & Parent the address at which they wish to receive service. Service addresses may be submitted electronically to: GLane@HatchParent.com, or by facsimile to Gina Lane, Hatch & Parent, 805-965-4333.

Parties must elect one of the following three service options. All parties who are able must opt for email service.

1. Parties receiving service electronically shall provide a current electronic mail address, and a backup facsimile number.

2. Parties without email who elect fax service shall provide a current facsimile number.

3. Other parties receiving service by U.S. Mail shall provide a current U.S. Mail address.

The court will notify email recipients that a document has been posted; parties must serve other parties by fax and mail.

C. On or before July 10, 2000, Hatch & Parent shall transmit the initial electronic, facsimile and U.S. Mail service lists to the Website Vendor, based on the addresses submitted by the parties.

D. All parties are obligated to check their email addresses on the website and notify the vendor immediately of any errors.

E. New parties, upon making their first appearance in this case, will be required to elect their preferred method of service (i.e. electronic, facsimile, or U.S. Mail).

F. Parties making any additions, corrections or changes to the electronic, facsimile, or U.S. Mail service lists after June 26, 2000, shall submit their changes directly to the Website Vendor. The Website Vendor shall post and keep current the electronic, facsimile, and U.S. Mail service lists on the Website.

G. Once a party posts a document, the court, through its website, will make email service. The parties are under a continuing obligation to make fax and mail service of the notice of posting in the normal manner.

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III. PLEADING DOCUMENTS

A. POSTING OF PLEADING DOCUMENTS

1. Commencing on July 11, 2000, all parties, including parties who elect service options two (2) and three (3), will be required to serve all Pleading Documents[1] by posting them on the Website. Parties without Internet access will have to seek it out at the public library or at copy stores.

2. Instructions for posting will be provided on the Website itself. Documents posted shall be catalogued according to the instructions provided. The posting party shall provide: its name, the complete title of the document, and the date of posting. All Pleading Documents will be posted to the Website in xml text format (with a copy in PDF format being optional). All Adobe Acrobat resources can be obtained from www.abode.com.

3. Once a Pleading Document has been posted to the Website, no change shall be made to that document by any party. No Pleading Document posted to the Website shall be removed from the Website except upon further Order of the Court.

4. Exhibits attached to Pleading Documents shall be submitted as image file attachments in .GIF or .JPG form.

5. For all Pleading Documents in this case served prior to July 11, 2000, the serving party shall post a copy of that document to the Website no later than August 10, 2000.

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1 "Pleading Document" means: pleadings or any other documents produced in the course of this action and required to be filed with the Court, including, but not limited to: (1) all complaints, cross-complaints and answers, including amendments thereto; (2) all demurrers, opposition to demurrers and replies; (3) all writ petitions and orders thereon; (4) all motions, oppositions to motions and replies; (5) all proposed orders; (6) all expert designations; and (7) all trial briefs.

6. Nothing in this Order modifies the manner of obtaining personal jurisdiction (through service of process) over a party who has not appeared in these consolidated actions. Service of process shall proceed in the regular manner provided under California law.

B. ELECTRONIC SERVICE AND CONFIRMATION OF RECEIPT

1. The Website will be configured to transmit automatically an electronic "Notice of Availability" to all parties on the electronic service list notifying them that a Pleading Document has been served on them and is available for their review on the Website.

2. Any party posting a Pleading Document on the Website who does not receive electronic notice indicating that service of their document has been made shall, within 12 hours of its posting, notify the Website Vendor of this problem.

3. All Parties electronically served shall confirm receipt of electronic service by replying to the electronic mail "Notice of Availability" message received by no later than 5:00 p.m. on the next business day following posting of the document served, not including weekends and holidays. (For instance, an electronic "Notice of Availability" transmitted at 4:59 p.m. on a Thursday must be confirmed by 5:00 p.m. on Friday. Electronic Notice of Availability transmitted at 5:01 p.m. on a Thursday must be confirmed by 5:00 p.m. on the following Monday.) To confirm receipt, simply select "Reply" and then "Send."

4. Parties who fail to confirm receipt of electronic service within the time period specified above will automatically receive a "Notice of Availability" by facsimile from the Court's Website Vendor. A party's repeated failure to timely confirm receipt of electronic service will be reported to the Court, and the court

will require the party to personally appear to explain his failure to comply with the court's electronic service requirements.

C. FACSIMILE AND U.S. MAIL SERVICE

1. Commencing on July 11, 2000, in addition to posting all Pleading Documents on the Website, all parties shall serve, by facsimile and U.S. Mail as applicable, a "Notice of Availability" on all parties electing to receive service by facsimile or U.S. Mail shall be sufficient to constitute service of the Pleading Document itself.

2. The "Notice of Availability" shall contain; (1) the serving party's name and contact information; (2) the title of the document posted on the Website; and (3) the date of posting; and shall indicate that the document served is available for viewing on the Website.

D. PROOF OF SERVICE

3. All Pleading Documents posted to the Website shall contain a Proof of Service. The Proof of Service shall be sufficient if it indicates: (1) the title of the Pleading Document posted; (2) the date and time of posting; (3) that a "Notice of Availability" has been faxed to all parties on the Website's current facsimile service list; and (4)that a "Notice of Availability" has been mailed to all parties on the Website's current U.S. Mail service list.

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IV. DISCOVERY DOCUMENTS

A. POSTING OF DISCOVERY DOCUMENTS

1. Commencing on July 11, 2000, Discovery Documents[2] that are written requests for discovery or written responses to those requests shall be posted to the Website and served in the same manner as Pleading Documents. For all Discovery Documents that are written requests for discovery or written responses to those requests that are produced prior to July 11, 2000, the producing party shall post a copy of that document to the Website no later than August 10, 2000.

2. Commencing on July 11, 2000, Discovery Documents that are deposition transcripts (including exhibits), whether party or non-party, shall be posted to the Website and served by the noticing party in the same manner as Pleading Documents. Deposition transcripts shall be posted promptly after receipt of the transcript. For all Discovery Documents that are deposition transcripts (including exhibits) that are produced prior to July 11, 2000, the noticing party shall post a copy of that document to the Website no later than August 10, 2000.

3. Commencing on July 11, 2000, documents produced in response to a demand for inspection and copying of documents shall be produced by the producing/responding party as follows:

   a. All parties are required to produce documents electronically.

   b. To ensure quality control and uniformity of imaging and indexing, all parties are required to utilize the Document Services Vendor approved

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2"Discovery Documents" means: non-pleading, discovery documents, including, but limited to: (1) all written discovery requests; (2) all written responses to discovery requests; (3) documents produced in response to requests or demands for production of documents; (4) all deposition transcripts; (5) all privilege logs; and (6) all trial exhibits.

by the Court: APS, 3485 Sacramento Drive, Suite H, San Luis Obispo, California 93401, (805) 545-9100. All parties shall contact APS directly to establish their individual accounts with the Document Services Vendor.

c. Documents produced by a party shall be provided to the Document Services Vendor not later than 15 days after the date of service of the written response (unless another time is set by agreement of the parties or by Order of Court).

d. Upon production of document(s) to the Document Services Vendor, the producing/responding party shall post on the Website a "Notice of Submission of Discovery Documents to the Document Services Vendor" indicating: (1) the name of the producing/responding party; (2) the name of the propounding party; (3) the title of the document requesting the production; and (4) the date of the production.

e. The Document Services Vendor will apply a standard indexing protocol (including electronic "Bates" stamping and bibliographic fields).

f. The Document Services Vendor will transmit electronic images of the documents produced directly to the Website Vendor. The Website Vendor will then post those documents to the Website on behalf of the producing/responding party, and will notify the producing/responding party of this fact.

g. Documents previously produced shall be submitted to the Document Services Vendor on or before July 17, 2000.

B. COSTS

1. Each party producing Discovery Documents shall be responsible for the scanning/imaging and indexing costs charged by the Document Services Vendor

for those services, and any and all costs associated with transmitting these documents to the Website Vendor, as described below.

2. A party utilizing the Document Services Vendor for any other services (e.g., obtaining electronic images of produced documents on CD Rom) shall be responsible for all costs associated with those other services.

3. For non-party document productions, the requesting party shall be responsible for posting the documents and for the costs charged by the Document Services Vendor to scan/image and index the documents.

C. PROTECTIVE ORDERS

1. The Court's standard procedures shall apply to any party seeking to protect or limit disclosure of information in a Discovery Document. In lieu of posting of electronic images for documents subject to Court-ordered protection or limitations on disclosure, the Website shall contain a listing of the document and identifying information (including at least the title and description of the document), information on the nature of the protection or limitation ordered by the Court, and information on how to obtain the document.

V. FILING OF DOCUMENTS WITH THE COURT AND EFFECTIVE DATE OF SERVICE

A. Notwithstanding the procedures for posting Pleading Documents on the Website provide by this Order, no party is relieved of its responsibility to file any and all documents required by law with this Court.

B. All Pleading Documents and any other documents required to be filed with the Court may be filed with the Court by facsimile.

C. For purposes of a party's obligation to produce and/or serve upon another party a document, that party shall be deemed to have produced/served the document on the date on which the document was posted to the Website or submitted to the Document

Services Vendor (as applicable). Documents posted to the Website or submitted to the Document Services Vendor after the close of a business day (5:00 p.m.) shall be deemed to have been produced/served on the next business day.

D. For purposes of a party's obligation to respond to any document served on him, service by electronic posting, facsimile and U.S. Mail in accordance with this Order shall be deemed to be service by facsimile transmission in accordance with Code of Civil Procedure section 1013(e), and the time obligations and duties of the parties shall be governed as if such service had been made by facsimile transmission.

E. All parties are under a continuing obligation to post all Pleading Documents and Discovery Documents to the Website, in the manner described in this Order.

VI. STAY

A. The stay on responsive pleadings imposed by the court at the May 12, 2000 hearing is lifted. Responsive pleadings are due July 17, 2000 and shall be posted in accordance with section III.A.2. of this order.

Dated this 27th day of June, 2000

CONRAD L. RUSHING
Judge of the Superior Court

EXHIBIT H

Form of Memorandum of Agreement to be Recorded

Santa Maria Valley Water Conservation District v. City of Santa Maria
Santa Clara County Superior Court Case No. CV 770214

Attached are two draft forms of Exhibit H. One form is intended to be used for recordation of notice of the Stipulation for properties located within Santa Barbara County, and the other form for properties located within San Luis Obispo County.

RECORDING REQUESTED BY:

XYZ CORPORATION

WHEN RECORDED MAIL TO:

CITY OF SANTA MARIA
A California municipal corporation
110 E. Cook Street
Santa Maria, CA 903454

THIS SPACE RESERVED FOR RECORDER ONL
(Gov. Code 27361.6)

NOTICE OF AGREEMENT BY STIPULATION

THIS NOTICE ("Notice") is authorized and required to be recorded in Santa Barbara County by order of the Superior Court of the County of Santa Clara and Government Code Section 27201.

Effective _____, 2005 the Clerk of the Court for Santa Clara County has entered a written stipulation in the matter of *Santa Maria Valley Water Conservation District v. City of Santa Maria,* Santa Clara County Superior Court, Lead Case No. CV 770214 (hereinafter "Stipulation") affecting the use of water rights in the Santa Maria Groundwater Basin as more particularly described in the Stipulation. A copy of the Stipulation is on file with and may be viewed at the Santa Clara County Superior Court, City of Santa Maria, City of Guadalupe, and County of Santa Barbara. The below stated Stipulating Party and it's real property located in Santa Barbara County bound by the terms of the Stipulation is identified in Exhibit "A" attached hereto and incorporated herein.

XYZ CORPORATION
A California corporation

By:
Name:
Title:

EXHIBIT "A"

STIPULATING PARTY AND PROPERTY DESCRIPTION
(Santa Barbara County)

Stipulating Party	Property Description
XYZ Corporation	(APN 101-040-014) NW ¼ of SW ¼, Section 1, R 29E, T 30S, MDB&M (APN 101-040-019) As described in that certain recorded instrument No. 123, Recorded June 29, 2001, Book 123, Page 111, Santa Barbara County Recorder.

STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA BARBARA)

On the ___ day of _____, 2005, before me, the below-named Notary Public, personally appeared _____
_____,
personally known to me or proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities and that by their signatures on the instrument the persons, or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

_____
Notary Public

RECORDING REQUESTED BY:

XYZ CORPORATION

WHEN RECORDED MAIL TO:

NIPOMO COMMUNITY SERVICES DISTRICT
A California CSD
148 South Wilson Street
Nipomo, CA 93444

THIS SPACE RESERVED FOR RECORDER ONL
(Gov. Code 27361.6)

NOTICE OF AGREEMENT BY STIPULATION

THIS NOTICE ("Notice") is authorized and required to be recorded in San Luis Obispo County by order of the Superior Court of the County of Santa Clara and Government Code Section 27201.

Effective _____, 2005 the Clerk of the Court for Santa Clara County has entered a written stipulation in the matter of *Santa Maria Valley Water Conservation District v. City of Santa Maria,* Santa Clara County Superior Court, Lead Case No. CV 770214 (hereinafter "Stipulation") affecting the use of water rights in the Santa Maria Groundwater Basin as more particularly described in the Stipulation. A copy of the Stipulation is on file with and may be viewed at the Santa Clara County Superior Court, Nipomo Community Services District, Oceano Community Services District, City of Arroyo Grande, City of Grover Beach, City of Pismo Beach, and County of San Luis Obispo. The below stated Stipulating Party and it's real property located in San Luis Obispo County bound by the terms of the Stipulation are identified in Exhibit "A" attached hereto and incorporated herein.

XYZ CORPORATION
A California corporation

By:
Name:
Title:

EXHIBIT "A"

STIPULATING PARTY AND PROPERTY DESCRIPTION
(San Luis Obispo County)

Stipulating Party	Assessors Parcel Number
XYZ Corporation	(APN 101-040-014) NW ¼ of SW ¼, Section 1, R 29E, T 30S, MDB&M (APN 101-040-019) As described in that certain recorded instrument No. 123, Recorded June 29, 2001, Book 123, Page 111, San Luis Obispo County Recorder.

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN LUIS OBISPO)

On the ___ day of _____, 2005, before me, the below-named Notary Public, personally appeared _____
_____,
personally known to me or proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities and that by their signatures on the instrument the persons, or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

_____
Notary Public

Appendix G

Summary of Population Based on Census Data

Appendix G-1: Census Tracts within the Orcutt System

County	City	Census Tract	Percentage of Tract in System
Santa Barbara	Unincorporated	002005	85%
Santa Barbara	Unincorporated	002006	50%
Santa Barbara	Unincorporated	002007	70%
Santa Barbara	Unincorporated	002008	100%
Santa Barbara	Unincorporated	002009	100%
Santa Barbara	Unincorporated	002010	100%
Santa Barbara	Unincorporated	002011	2%
Santa Barbara	Unincorporated	002012	69%
Santa Barbara	Unincorporated	002013	33%

Table G-2: Population, Household and Employment Projections for Orcutt System

Census Tract	County	City	Population 2005	2010	2015	2020	2025	2030	2035	Percentage of Tract in System
002005	Santa Barbara	Unincorporated	4,675	4,839	5,003	5,188	5,354	5,520	5,686	85%
002006	Santa Barbara	Unincorporated	2,479	2,565	2,653	2,751	2,839	2,927	3,015	50%
002007	Santa Barbara	Unincorporated	5,918	6,125	6,333	6,567	6,777	6,987	7,197	70%
002008	Santa Barbara	Unincorporated	6,519	6,748	6,977	7,235	7,467	7,698	7,929	100%
002009	Santa Barbara	Unincorporated	3,678	3,807	3,937	4,082	4,213	4,343	4,474	100%
002010	Santa Barbara	Unincorporated	4,791	4,959	5,127	5,317	5,487	5,657	5,827	100%
002011	Santa Barbara	Unincorporated	3,147	3,257	3,367	3,492	3,604	3,715	3,827	2%
002012	Santa Barbara	Unincorporated	2,661	2,755	2,848	2,954	3,048	3,143	3,237	69%
002013	Santa Barbara	Unincorporated	4,687	4,851	5,016	5,202	5,368	5,535	5,701	33%
Total Population Based on SBCAG			27,790	28,763	29,741	30,841	31,828	32,815	33,799	
SBCAG Growth Rate					3%	4%	3%	3%	3%	

Census Tract	County	City	Households 2005	2010	2015	2020	2025	2030	2035	Percentage of Tract in System
002005	Santa Barbara	Unincorporated	1,778	1,841	1,903	1,966	2,029	2,092	2,155	85%
002006	Santa Barbara	Unincorporated	809	837	866	894	923	951	980	50%
002007	Santa Barbara	Unincorporated	2,314	2,395	2,477	2,558	2,640	2,722	2,804	70%
002008	Santa Barbara	Unincorporated	2,277	2,357	2,438	2,518	2,599	2,679	2,760	100%
002009	Santa Barbara	Unincorporated	1,204	1,247	1,289	1,332	1,374	1,417	1,460	100%
002010	Santa Barbara	Unincorporated	1,559	1,613	1,668	1,723	1,779	1,834	1,889	100%
002011	Santa Barbara	Unincorporated	1,206	1,249	1,291	1,334	1,377	1,419	1,462	2%
002012	Santa Barbara	Unincorporated	1,002	1,037	1,073	1,108	1,143	1,179	1,214	69%
002013	Santa Barbara	Unincorporated	2,148	2,223	2,299	2,375	2,451	2,527	2,603	33%
Total Population Based on SBCAG			10,001	10,350	10,704	11,057	11,411	11,765	12,119	
SBCAG Growth Rate					3%	3%	3%	3%	3%	

Census Tract	County	City	Employment 2005	2010	2015	2020	2025	2030	2035	Percentage of Tract in System
002005	Santa Barbara	Unincorporated	775	972	1,009	1,036	1,089	1,157	1,230	85%
002006	Santa Barbara	Unincorporated	388	486	505	518	545	579	615	50%
002007	Santa Barbara	Unincorporated	908	1,139	1,183	1,213	1,276	1,356	1,441	70%
002008	Santa Barbara	Unincorporated	1,102	1,382	1,436	1,473	1,549	1,646	1,749	100%
002009	Santa Barbara	Unincorporated	597	749	778	799	840	892	948	100%
002010	Santa Barbara	Unincorporated	846	1,061	1,102	1,131	1,189	1,264	1,343	100%
002011	Santa Barbara	Unincorporated	581	729	757	777	817	868	923	2%
002012	Santa Barbara	Unincorporated	413	518	538	551	580	616	655	69%
002013	Santa Barbara	Unincorporated	713	894	929	953	1,002	1,065	1,131	33%
Total Population Based on SBCAG			4,564	5,726	5,948	6,101	6,417	6,818	7,246	
SBCAG Growth Rate					4%	3%	5%	6%	6%	

Appendix H

Documentation of submittal to Library, Cities and Counties

Golden State
Water Company
A Subsidiary of American States Water Company

September 1, 2011

County of Santa Barbara
Robert Braitman
Executive Officer, The Local Agency Formation Commission
105 E. Anapamu, Room 406
Santa Barbara, CA 93101

Dear: Robert Braitman

RE: Golden State Water Company- 2010 Urban Water Management Plan

Golden State Water Company (GSWC) adopted the 2010 Urban Water Management Plan (UWMP) following a public hearing on August 11, 2011. The 2010 UWMP was adopted in accordance with the Urban Water Management Planning Act and filed with DWR and the California Sate Library.

Pursuant to Section 10644(a) of the California Water Code, GSWC is required to file a copy of the adopted 2010 UWMP with any city or county within which GSWC provided water. Enclosed for your files is one copy of GSWC's adopted 2010 UWMP. It is also on our website at www.gswater.com.

If you have any questions you can contact me at (916) 853-3612.

Sincerely,
GOLDEN STATE WATER COMPANY

Ernest A. Gisler
Planning Manager

Enclosure

Appendix I

Documentation of Water Use Projections Submittal

Golden State
Water Company
A Subsidiary of American States Water Company

11 February 2011

Mr. Phil Brennan
Executive Director
Central Coast Water Authority
255 Industrial Way
Buelton, CA 93427

Subject: Golden State Water Company - Orcutt System
2010 Urban Water Management Plan Preparation Notification and Supply Reliability Information Request

Dear Mr. Brennan:

Golden State Water Company (GSWC) is currently preparing its 2010 Urban Water Management Plan (UWMP) for the Orcutt System as required by the Urban Water Management Planning Act (Act). Since Central Coast Water Authority is a wholesale water supplier to GSWC, water use projections through 2035 are enclosed (Table 1) pursuant to §10631(k) of the Act. We would like to request confirmation of the anticipated water supply reliability, water supply sources, and other information as described below. This information may be provided by either (a) providing a copy of your Draft UWMP if all requested information is included or, (b) completing the enclosed tables and providing any additional documents as required.

1. Supply projections to 2035 (Table 2)
2. Single Dry Year Reliability to 2035 (Table 3)
3. Normal, single dry, and multiple dry year reliability (Table 4)
4. Basis of water year data (Table 5)
5. Factors resulting in inconsistency of supply (Table 6)
6. Assumptions used to determine retail agency supply projections, including conservation.
7. Recycled water projections to the Orcutt service area (if applicable) (Table 7)
8. Describe any regional desalination opportunities, if any for the Orcutt system (if applicable)

We appreciate your timely attention to the information requested above and ask you provide a response no later than **18 February 2011**. Kennedy/Jenks Consultants is assisting GSWC with preparation of the 2010 UWMP and will be contacting you directly within the next week to follow up on this request. In the meantime, should you have any questions or concerns please feel free to contact me at (916) 853-3612.

Very truly yours,

GOLDEN STATE WATER COMPANY

Ernest Gisler
Planning Manager

Enclosures

cc: Sean Maguire, Kennedy/Jenks Consultants

3035 Prospect Park Drive, Ste. 60, Rancho Cordova, CA 95670
Tel: (916) 853-3600 Fax: (916) 852-0171 www.aswater.com

Golden State
Water Company
A Subsidiary of American States Water Company

11 February 2011

Mr. Marc Bierdzinski
Planning Division Manager
City of Santa Maria
110 South Pine Street, No. 101
Santa Maria, CA 93456

Subject: Golden State Water Company - Orcutt System
2010 Urban Water Management Plan Preparation Notification and Supply Reliability Information Request

Dear Mr. Bierdzinski:

Golden State Water Company (GSWC) is currently preparing its 2010 Urban Water Management Plan (UWMP) for the Orcutt System as required by the Urban Water Management Planning Act (Act). Since City of Santa Maria is a wholesale water supplier to GSWC, water use projections through 2035 are enclosed (Table 1) pursuant to §10631(k) of the Act. We would like to request confirmation of the anticipated water supply reliability, water supply sources, and other information as described below. This information may be provided by either (a) providing a copy of your Draft UWMP if all requested information is included or, (b) completing the enclosed tables and providing any additional documents as required.

1. Supply projections to 2035 (Table 2)
2. Single Dry Year Reliability to 2035 (Table 3)
3. Normal, single dry, and multiple dry year reliability (Table 4)
4. Basis of water year data (Table 5)
5. Factors resulting in inconsistency of supply (Table 6)
6. Assumptions used to determine retail agency supply projections, including conservation.
7. Recycled water projections to the Orcutt service area (if applicable) (Table 7)
8. Describe any regional desalination opportunities, if any for the Orcutt system (if applicable)

We appreciate your timely attention to the information requested above and ask you provide a response no later than **18 February 2011**. Kennedy/Jenks Consultants is assisting GSWC with preparation of the 2010 UWMP and will be contacting you directly within the next week to follow up on this request. In the meantime, should you have any questions or concerns please feel free to contact me at (916) 853-3612.

Very truly yours,
GOLDEN STATE WATER COMPANY

Ernest Gisler
Planning Manager

Enclosures

cc: Sean Maguire, Kennedy/Jenks Consultants

3035 Prospect Park Drive, Ste. 60, Rancho Cordova, CA 95670
Tel: (916) 853-3600 Fax: (916) 852-0171 www.aswater.com

Appendix J

Urban Water Management Plan Checklist

Table I-2 Urban Water Management Plan checklist, organized by subject

No.	UWMP requirement [a]	Calif. Water Code reference	Additional clarification	UWMP location	Page Number
PLAN PREPARATION					
4	Coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.	10620(d)(2)		1.6	1-7
6	Notify, at least 60 days prior to the public hearing on the plan required by Section 10642, any city or county within which the supplier provides water that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan. Any city or county receiving the notice may be consulted and provide comments.	10621(b)		1.6	1-7
7	Provide supporting documentation that the UWMP or any amendments to, or changes in, have been adopted as described in Section 10640 et seq.	10621(c)		1.6	1-7
54	Provide supporting documentation that the urban water management plan has been or will be provided to any city or county within which it provides water, no later than 60 days after the submission of this urban water management plan.	10635(b)		Appendix H	
55	Provide supporting documentation that the water supplier has encouraged active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of the plan.	10642		1.6	1-7
56	Provide supporting documentation that the urban water supplier made the plan available for public inspection and held a public hearing about the plan. For public agencies, the hearing notice is to be provided pursuant to Section 6066 of the Government Code. The water supplier is to provide the time and place of the hearing to any city or county within which the supplier provides water. Privately-owned water suppliers shall provide an equivalent notice within its service area.	10642		Page vii	Vii
57	Provide supporting documentation that the plan has been adopted as prepared or modified.	10642		1.6	1-7
58	Provide supporting documentation as to how the water supplier plans to implement its plan.	10643		1.8	1-8

No.	UWMP requirement [a]	Calif. Water Code reference	Additional clarification	UWMP location	Page Number
59	Provide supporting documentation that, in addition to submittal to DWR, the urban water supplier has submitted this UWMP to the California State Library and any city or county within which the supplier provides water supplies a copy of its plan no later than 30 days after adoption. This also includes amendments or changes.	10644(a)		1.7 Appendix H	1-8
60	Provide supporting documentation that, not later than 30 days after filing a copy of its plan with the department, the urban water supplier has or will make the plan available for public review during normal business hours	10645		1.7	1-8
SYSTEM DESCRIPTION					
8	Describe the water supplier service area.	10631(a)		2.1	2-1
9	Describe the climate and other demographic factors of the service area of the supplier	10631(a)		2.2 & 2.4	2-1 & 2-11
10	Indicate the current population of the service area	10631(a)	Provide the most recent population data possible. Use the method described in "Baseline Daily Per Capita Water Use." See Section M.	2.3	2-5
11	Provide population projections for 2015, 2020, 2025, and 2030, based on data from State, regional, or local service area population projections.	10631(a)	2035 and 2040 can also be provided to support consistency with Water Supply Assessments and Written Verification of Water Supply documents.	2.3.2	2-5
12	Describe other demographic factors affecting the supplier's water management planning.	10631(a)		2.2 & 2.4	2-1 & 2-11
SYSTEM DEMANDS					
1	Provide baseline daily per capita water use, urban water use target, interim urban water use target, and compliance daily per capita water use, along with the bases for determining those estimates, including references to supporting data.	10608.20(e)		3.2	3-3

No.	UWMP requirement [a]	Calif. Water Code reference	Additional clarification	UWMP location	Page Number
2	*Wholesalers:* Include an assessment of present and proposed future measures, programs, and policies to help achieve the water use reductions. *Retailers:* Conduct at least one public hearing that includes general discussion of the urban retail water supplier's implementation plan for complying with the Water Conservation Bill of 2009.	10608.36 10608.26(a)	Retailers and wholesalers have slightly different requirements	4.6	4-8
3	Report progress in meeting urban water use targets using the standardized form.	10608.40		Not Applicable	
25	Quantify past, current, and projected water use, identifying the uses among water use sectors, for the following: (A) single-family residential, (B) multifamily, (C) commercial, (D) industrial, (E) institutional and governmental, (F) landscape, (G) sales to other agencies, (H) saline water intrusion barriers, groundwater recharge, conjunctive use, and (I) agriculture.	10631(e)(1)	Consider 'past' to be 2005, present to be 2010, and projected to be 2015, 2020, 2025, and 2030. Provide numbers for each category for each of these years.	3.3	3-8
33	Provide documentation that either the retail agency provided the wholesale agency with water use projections for at least 20 years, if the UWMP agency is a retail agency, OR, if a wholesale agency, it provided its urban retail customers with future planned and existing water source available to it from the wholesale agency during the required water-year types	10631(k)	Average year, single dry year, multiple dry years for 2015, 2020, 2025, and 2030.	3.7 Appendix I	3-15
34	Include projected water use for single-family and multifamily residential housing needed for lower income households, as identified in the housing element of any city, county, or city and county in the service area of the supplier.	10631.1(a)		3.8	3-16
SYSTEM SUPPLIES					
13	Identify and quantify the existing and planned sources of water available for 2015, 2020, 2025, and 2030.	10631(b)	The 'existing' water sources should be for the same year as the "current population" in line 10. 2035 and 2040 can also be provided.	4.1	4-2

No.	UWMP requirement [a]	Calif. Water Code reference	Additional clarification	UWMP location	Page Number
14	Indicate whether groundwater is an existing or planned source of water available to the supplier. If yes, then complete 15 through 21 of the UWMP Checklist. If no, then indicate "not applicable" in lines 15 through 21 under the UWMP location column.	10631(b)	Source classifications are: surface water, groundwater, recycled water, storm water, desalinated sea water, desalinated brackish groundwater, and other.	4.3	4-4
15	Indicate whether a groundwater management plan been adopted by the water supplier or if there is any other specific authorization for groundwater management. Include a copy of the plan or authorization.	10631(b)(1)		4.3	4-4
16	Describe the groundwater basin.	10631(b)(2)		4.3	4-4
17	Indicate whether the groundwater basin is adjudicated? Include a copy of the court order or decree.	10631(b)(2)		4.3 & Appendix F	4-4
18	Describe the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. If the basin is not adjudicated, indicate "not applicable" in the UWMP location column.	10631(b)(2)		4.3	4-4
19	For groundwater basins that are not adjudicated, provide information as to whether DWR has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to eliminate the long-term overdraft condition. If the basin is adjudicated, indicate "not applicable" in the UWMP location column.	10631(b)(2)		Not Applicable	
20	Provide a detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years	10631(b)(3)		4.3	4-4
21	Provide a detailed description and analysis of the amount and location of groundwater that is projected to be pumped.	10631(b)(4)	Provide projections for 2015, 2020, 2025, and 2030.	4.3	4-4
24	Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.	10631(d)		4.4	4-7

No.	UWMP requirement [a]	Calif. Water Code reference	Additional clarification	UWMP location	Page Number
30	Include a detailed description of all water supply projects and programs that may be undertaken by the water supplier to address water supply reliability in average, single-dry, and multiple-dry years, excluding demand management programs addressed in (f)(1). Include specific projects, describe water supply impacts, and provide a timeline for each project.	10631(h)		4.5	4-8
31	Describe desalinated water project opportunities for long-term supply, including, but not limited to, ocean water, brackish water, and groundwater.	10631(i)		4.7	4-9
44	Provide information on recycled water and its potential for use as a water source in the service area of the urban water supplier. Coordinate with local water, wastewater, groundwater, and planning agencies that operate within the supplier's service area.	10633		4.8	4-11
45	Describe the wastewater collection and treatment systems in the supplier's service area, including a quantification of the amount of wastewater collected and treated and the methods of wastewater disposal.	10633(a)		4.8.2	4-12
46	Describe the quantity of treated wastewater that meets recycled water standards, is being discharged, and is otherwise available for use in a recycled water project.	10633(b)		4.8.2	4-12
47	Describe the recycled water currently being used in the supplier's service area, including, but not limited to, the type, place, and quantity of use.	10633(c)		4.8.2	4-12
48	Describe and quantify the potential uses of recycled water, including, but not limited to, agricultural irrigation, landscape irrigation, wildlife habitat enhancement, wetlands, industrial reuse, groundwater recharge, indirect potable reuse, and other appropriate uses, and a determination with regard to the technical and economic feasibility of serving those uses.	10633(d)		4.8.3	4-13
49	The projected use of recycled water within the supplier's service area at the end of 5, 10, 15, and 20 years, and a description of the actual use of recycled water in comparison to uses previously projected.	10633(e)		4.8	4-11
50	Describe the actions, including financial incentives, which may be taken to encourage the use of recycled water, and the projected results of these actions in terms of acre-feet of recycled water used per year.	10633(f)		4.8.4	4-14

No.	UWMP requirement [a]	Calif. Water Code reference	Additional clarification	UWMP location	Page Number
51	Provide a plan for optimizing the use of recycled water in the supplier's service area, including actions to facilitate the installation of dual distribution systems, to promote recirculating uses, to facilitate the increased use of treated wastewater that meets recycled water standards, and to overcome any obstacles to achieving that increased use.	10633(g)		4.8.4	4-14
WATER SHORTAGE RELIABILITY AND WATER SHORTAGE CONTINGENCY PLANNING [b]					
5	Describe water management tools and options to maximize resources and minimize the need to import water from other regions.	10620(f)		1.10	1-10
22	Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage and provide data for (A) an average water year, (B) a single dry water year, and (C) multiple dry water years.	10631(c)(1)		6.1	6-1
23	For any water source that may not be available at a consistent level of use - given specific legal, environmental, water quality, or climatic factors - describe plans to supplement or replace that source with alternative sources or water demand management measures, to the extent practicable.	10631(c)(2)		6.1.5	6-6
35	Provide an urban water shortage contingency analysis that specifies stages of action, including up to a 50-percent water supply reduction, and an outline of specific water supply conditions at each stage	10632(a)		8.1	8-1
36	Provide an estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the agency's water supply.	10632(b)		8.2	8-3
37	Identify actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.	10632(c)		8.3	8-4
38	Identify additional, mandatory prohibitions against specific water use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning.	10632(d)		8.4	8-6
39	Specify consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply.	10632(e)		8.4	8-6
40	Indicated penalties or charges for excessive use, where applicable.	10632(f)		8.4	8-6

No.	UWMP requirement [a]	Calif. Water Code reference	Additional clarification	UWMP location	Page Number
41	Provide an analysis of the impacts of each of the actions and conditions described in subdivisions (a) to (f), inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.	10632(g)		8.5	8-8
42	Provide a draft water shortage contingency resolution or ordinance.	10632(h)		8.4 & Appendix D	8-6
43	Indicate a mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.	10632(i)		8.6	8-9
52	Provide information, to the extent practicable, relating to the quality of existing sources of water available to the supplier over the same five-year increments, and the manner in which water quality affects water management strategies and supply reliability	10634	For years 2010, 2015, 2020, 2025, and 2030	5	5-1
53	Assess the water supply reliability during normal, dry, and multiple dry water years by comparing the total water supply sources available to the water supplier with the total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and multiple dry water years. Base the assessment on the information compiled under Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.	10635(a)		6.2 – 6.4	6-6
DEMAND MANAGEMENT MEASURES					
26	Describe how each water demand management measures is being implemented or scheduled for implementation. Use the list provided.	10631(f)(1)	Discuss each DMM, even if it is not currently or planned for implementation. Provide any appropriate schedules.	7.1	7-2
27	Describe the methods the supplier uses to evaluate the effectiveness of DMMs implemented or described in the UWMP.	10631(f)(3)		7.1	7-2
28	Provide an estimate, if available, of existing conservation savings on water use within the supplier's service area, and the effect of the savings on the ability to further reduce demand.	10631(f)(4)		7.2	7-4

No.	UWMP requirement [a]	Calif. Water Code reference	Additional clarification	UWMP location	Page Number
29	Evaluate each water demand management measure that is not currently being implemented or scheduled for implementation. The evaluation should include economic and non-economic factors, cost-benefit analysis, available funding, and the water suppliers' legal authority to implement the work.	10631(g)	See 10631(g) for additional wording.	7.2	7-4
32	Include the annual reports submitted to meet the Section 6.2 requirements, if a member of the CUWCC and signer of the December 10, 2008 MOU.	10631(j)	Signers of the MOU that submit the annual reports are deemed compliant with Items 28 and 29.	N/A	

a The UWMP Requirement descriptions are general summaries of what is provided in the legislation. Urban water suppliers should review the exact legislative wording prior to submitting its UWMP.

b The Subject classification is provided for clarification only. It is aligned with the organization presented in Part I of this guidebook. A water supplier is free to address the UWMP Requirement anywhere with its UWMP, but is urged to provide clarification to DWR to facilitate review.