

Appendix A

DWR 2015 UWMP Checklist

Laguna Beach County Water District

Appendix A

DWR 2015 Urban Water Management Plan Checklist

CWC Section	UWMP Requirement	Subject	Guide-book Location	UWMP Location
10620(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.	Plan Preparation	Section 2.1	Section 1.1
10620(d)(2)	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.	Plan Preparation	Section 2.5.2	Section 2.2
10642	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.	Plan Preparation	Section 2.5.2	Sections 10.2, 10.3, 10.4, Appendix H
10631(a)	Describe the water supplier service area.	System Description	Section 3.1	Section 3.2
10631(a)	Describe the climate of the service area of the supplier.	System Description	Section 3.3	Section 3.3
10631(a)	Provide population projections for 2020, 2025, 2030, and 2035.	System Description	Section 3.4	Section 3.5
10631(a)	Describe other demographic factors affecting the supplier's water management planning.	System Description	Section 3.4	Section 3.5
10631(a)	Indicate the current population of the service area.	System Description and Baselines and Targets	Sections 3.4 and 5.4	Section 3.5
10631(e)(1)	Quantify past, current, and projected water use, identifying the uses among water use sectors.	System Water Use	Section 4.2	Sections 4.1, 4.2
10631(e)(3)(A)	Report the distribution system water loss for the most recent 12-month period available.	System Water Use	Section 4.3	Section 4.3
10631.1(a)	Include projected water use needed for lower income housing projected in the service area of the supplier.	System Water Use	Section 4.5	Section 4.5
10608.20(b)	Retail suppliers shall adopt a 2020 water use target using one of four methods.	Baselines and Targets	Section 5.7 and App E	Section 5.2
10608.20(e)	Retail suppliers shall provide baseline daily per capita water use, urban water use target, interim urban water use	Baselines and Targets	Chapter 5 and App E	Sections 5.1, 5.2

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	target, and compliance daily per capita water use, along with the bases for determining those estimates, including references to supporting data.			
10608.22	Retail suppliers' per capita daily water use reduction shall be no less than 5 percent of base daily per capita water use of the 5 year baseline. This does not apply if the suppliers base GPCD is at or below 100.	Baselines and Targets	Section 5.7.2	Section 5.1
10608.24(a)	Retail suppliers shall meet their interim target by December 31, 2015.	Baselines and Targets	Section 5.8 and App E	Section 5.2.1
10608.24(d)(2)	If the retail supplier adjusts its compliance GPCD using weather normalization, economic adjustment, or extraordinary events, it shall provide the basis for, and data supporting the adjustment.	Baselines and Targets	Section 5.8.2	NA
10608.36	Wholesale suppliers shall include an assessment of present and proposed future measures, programs, and policies to help their retail water suppliers achieve targeted water use reductions.	Baselines and Targets	Section 5.1	NA
10608.40	Retail suppliers shall report on their progress in meeting their water use targets. The data shall be reported using a standardized form.	Baselines and Targets	Section 5.8 and App E	Appendix E
10631(b)	Identify and quantify the existing and planned sources of water available for 2015, 2020, 2025, 2030, and 2035.	System Supplies	Chapter 6	Chapter 6
10631(b)	Indicate whether groundwater is an existing or planned source of water available to the supplier.	System Supplies	Section 6.2	Section 6.2
10631(b)(1)	Indicate whether a groundwater management plan has 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.	System Supplies	Section 6.2.2	Appendix F
10631(b)(2)	Describe the groundwater basin.	System Supplies	Section 6.2.1	Section 6.2
10631(b)(2)	Indicate if the basin has been adjudicated and include a copy of the court order or decree and a description of the amount of water the supplier has the legal right to pump.	System Supplies	Section 6.2.2	Appendix F
10631(b)(2)	For unadjudicated basins, indicate whether or not the department has identified the basin as overdrafted, or projected to become overdrafted. Describe efforts by the supplier to eliminate the long-term overdraft condition.	System Supplies	Section 6.2.3	Section 6.2.1
10631(b)(3)	Provide a detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by	System Supplies	Section 6.2.4	Section 6.2.3

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	the urban water supplier for the past five years			
10631(b)(4)	Provide a detailed description and analysis of the amount and location of groundwater that is projected to be pumped.	System Supplies	Sections 6.2 and 6.9	Section 6.2.4
10631(d)	Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.	System Supplies	Section 6.7	Section 6.7
10631(g)	Describe the expected future 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.	System Supplies	Section 6.8	Section 6.8
10631(h)	Describe desalinated water project opportunities for long-term supply.	System Supplies	Section 6.6	Section 6.6
10631(j)	Retail suppliers will include documentation that they have provided their wholesale supplier(s) – if any - with water use projections from that source.	System Supplies	Section 2.5.1	Chapter 10
10631(j)	Wholesale suppliers will include documentation that they have provided their urban water suppliers with identification and quantification of the existing and planned sources of water available from the wholesale to the urban supplier during various water year types.	System Supplies	Section 2.5.1	NA
10633	For wastewater and recycled water, coordinate with local water, wastewater, groundwater, and planning agencies that operate within the supplier's service area.	System Supplies (Recycled Water)	Section 6.5.1	Section 6.5.1
10633(a)	Describe the wastewater collection and treatment systems in the supplier's service area. Include quantification of the amount of wastewater collected and treated and the methods of wastewater disposal.	System Supplies (Recycled Water)	Section 6.5.2	Section 6.5.2
10633(b)	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.	System Supplies (Recycled Water)	Section 6.5.2.2	Section 6.5
10633(c)	Describe the recycled water currently being used in the supplier's service area.	System Supplies (Recycled Water)	Section 6.5.3 and 6.5.4	Section 6.5.3
10633(d)	Describe and quantify the potential uses of recycled water and provide a determination of the technical and economic feasibility of those uses.	System Supplies (Recycled Water)	Section 6.5.4	Section 6.5.3
10633(e)	Describe 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.	System Supplies (Recycled Water)	Section 6.5.4	Section 6.5.3

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10633(f)	Describe the actions 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.	System Supplies (Recycled Water)	Section 6.5.5	Section 6.5.3
10633(g)	Provide a plan for optimizing the use of recycled water in the supplier's service area.	System Supplies (Recycled Water)	Section 6.5.5	Section 6.5.3
10620(f)	Describe water management tools and options to maximize resources and minimize the need to import water from other regions.	Water Supply Reliability Assessment	Section 7.4	Section 7.4
10631(c)(1)	Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage.	Water Supply Reliability Assessment	Section 7.1	Section 7.1
10631(c)(1)	Provide data for an average water year, a single dry water year, and multiple dry water years	Water Supply Reliability Assessment	Section 7.2	Section 7.2
10631(c)(2)	For any water source that may not be available at a consistent level of use, describe plans to supplement or replace that source.	Water Supply Reliability Assessment	Section 7.1	Section 7.1
10634	Provide information on the quality of existing sources of water available to the supplier and the manner in which water quality affects water management strategies and supply reliability	Water Supply Reliability Assessment	Section 7.1	Section 7.1
10635(a)	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.	Water Supply Reliability Assessment	Section 7.3	Section 7.3
10632(a) and 10632(a)(1)	Provide an urban water shortage contingency analysis that specifies stages of action and an outline of specific water supply conditions at each stage.	Water Shortage Contingency Planning	Section 8.1	Section 8.1
10632(a)(2)	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.	Water Shortage Contingency Planning	Section 8.9	Section 8.9
10632(a)(3)	Identify actions to be undertaken by the urban water supplier in case of a catastrophic interruption of water supplies.	Water Shortage Contingency Planning	Section 8.8	Section 8.8
10632(a)(4)	Identify mandatory prohibitions against specific water use practices during water shortages.	Water Shortage Contingency Planning	Section 8.2	Section 8.2
10632(a)(5)	Specify consumption reduction methods in the most restrictive stages.	Water Shortage Contingency Planning	Section 8.4	Section 8.4
10632(a)(6)	Indicated penalties or charges for excessive use, where applicable.	Water Shortage Contingency Planning	Section 8.3	Section 8.3

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10632(a)(7)	Provide an analysis of the impacts of each of the actions and conditions in the water shortage contingency analysis on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts.	Water Shortage Contingency Planning	Section 8.6	Section 8.6
10632(a)(8)	Provide a draft water shortage contingency resolution or ordinance.	Water Shortage Contingency Planning	Section 8.7	Section 8.7 and Appendix G
10632(a)(9)	Indicate a mechanism for determining actual reductions in water use pursuant to the water shortage contingency analysis.	Water Shortage Contingency Planning	Section 8.5	Section 8.5
10631(f)(1)	Retail suppliers shall provide a description of the nature and extent of each demand management measure implemented over the past five years. The description will address specific measures listed in code.	Demand Management Measures	Sections 9.2 and 9.3	Section 9.2
10631(f)(2)	Wholesale suppliers shall describe specific demand management measures listed in code, their distribution system asset management program, and supplier assistance program.	Demand Management Measures	Sections 9.1 and 9.3	NA
10631(i)	CUWCC members may submit their 2013-2014 CUWCC BMP annual reports in lieu of, or in addition to, describing the DMM implementation in their UWMPs. This option is only allowable if the supplier has been found to be in full compliance with the CUWCC MOU.	Demand Management Measures	Section 9.5	NA
10608.26(a)	Retail suppliers shall conduct a public hearing to discuss adoption, implementation, and economic impact of water use targets.	Plan Adoption, Submittal, and Implementation	Section 10.3	Section 10.2
10621(b)	Notify, at least 60 days prior to the public hearing, 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.	Plan Adoption, Submittal, and Implementation	Section 10.2.1	Section 10.2
10621(d)	Each urban water supplier shall update and submit its 2015 plan to the department by July 1, 2016.	Plan Adoption, Submittal, and Implementation	Sections 10.3.1 and 10.4	Section 10.4
10635(b)	Provide supporting documentation that Water Shortage Contingency 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 the plan to DWR.	Plan Adoption, Submittal, and Implementation	Section 10.4.4	Section 10.4
10642	Provide supporting documentation that the urban water supplier made the plan available for public inspection, published notice of the public hearing, and held a public hearing about the plan.	Plan Adoption, Submittal, and Implementation	Sections 10.2.2, 10.3, and 10.5	Chapter 10

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10642	The water supplier is to provide the time and place of the hearing to any city or county within which the supplier provides water.	Plan Adoption, Submittal, and Implementation	Sections 10.2.1	Section 10.2
10642	Provide supporting documentation that the plan has been adopted as prepared or modified.	Plan Adoption, Submittal, and Implementation	Section 10.3.1	Appendix H
10644(a)	Provide supporting documentation that the urban water supplier has submitted this UWMP to the California State Library.	Plan Adoption, Submittal, and Implementation	Section 10.4.3	Appendix H
10644(a)(1)	Provide supporting documentation that the urban water supplier has submitted this UWMP to any city or county within which the supplier provides water no later than 30 days after adoption.	Plan Adoption, Submittal, and Implementation	Section 10.4.4	Appendix H
10644(a)(2)	The plan, or amendments to the plan, submitted to the department shall be submitted electronically.	Plan Adoption, Submittal, and Implementation	Sections 10.4.1 and 10.4.2	Section 10.4
10645	Provide supporting documentation that, not later than 30 days after filing a copy of its plan with the department, the supplier has or will make the plan available for public review during normal business hours.	Plan Adoption, Submittal, and Implementation	Section 10.5	Appendix H

Appendix B

References

Appendix B – References

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Appendix C

Agreement for Contract Services between EBSD and District

AGREEMENT FOR CONTRACT SERVICES

BETWEEN

EMERALD BAY SERVICE DISTRICT

AND

LAGUNA BEACH COUNTY WATER DISTRICT

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AGREEMENT FOR CONTRACT SERVICES

BETWEEN

EMERALD BAY SERVICE DISTRICT

AND

LAGUNA BEACH COUNTY WATER DISTRICT

Description of Parties

THIS AGREEMENT is made on September 18, 2001 between EMERALD BAY SERVICE DISTRICT ("EBSD"), a community service district formed and existing pursuant to the Community Services District law, Division 3, Title 6 (commencing at Government Code § 61000 et seq.), and LAGUNA BEACH COUNTY WATER DISTRICT ("LBCWD"), a county water district formed and existing pursuant to the County Water District law, which is currently found at Water Code § 30000 et seq., which is a subsidiary of the City of Laguna Beach.

Recitals

The following paragraphs "A" through "H" are incorporated in the Agreement below, as though fully set forth therein:

A. The LBCWD provides water service to its rate payers in the boundaries of LBCWD, including the Community of Emerald Bay ("Emerald Bay"), a community in the unincorporated area of the County of Orange. LBCWD encompasses all of the property shown in Exhibit A hereof. EBSD encompasses all of the property within Emerald Bay, as shown in Exhibit B hereof.

B. In January, 2001 EBSD resolved both to provide water service to the residents of Emerald Bay, and to seek approval from the Local Agency Formation Commission ("LAFCO") for Emerald Bay's detachment from LBCWD, pursuant to Government Code §§ 56300 et seq. EBSD intends to submit an application to the Local Agency Formation Commission of the County of

Orange ("LAFCO") requesting that LAFCO approve the detachment of Emerald Bay from the LBCWD and requesting that LAFCO recognize that the EBSD has the authority to exercise its power to provide water service to Emerald Bay. EBSD intends to submit its application to LAFCO no later than October 1, 2001. EBSD will pay the LAFCO costs, including any CEQA costs, and the fees and costs of EBSD's consultants. LBCWD will pay EBSD the sum of \$25,000.00.

C. LBCWD will not oppose EBSD's application for authority to exercise its power to provide water service to Emerald Bay and for detachment, so long as it does not include any transfer to EBSD of any LBCWD assets (pursuant to Government Code §56886, or otherwise), including, but not limited to priorities of use, water rights, right of use of water, or capacity rights in any LBCWD public improvements, lines, distribution systems, reservoirs, facilities, or of any other LBCWD assets and/or property, real or personal, or any LBCWD money or funds, including cash on hand and moneys due but uncollected, except as specifically stated in this Agreement.

D. Since the LBCWD initiated water service to Emerald Bay, the LBCWD has collected water rates and charges, as well as ad valorem property taxes from the rate payers of Emerald Bay (as it does from LBCWD's other retail customers). Pursuant to Government Code § 57353, no inhabitant, property owner, taxpayer, consumer, or user within Emerald Bay is entitled to either of the following upon detachment: (1) All or any part of any payment on account of the moneys or funds, including cash on hand and moneys due but uncollected, or any property, real or personal, of the LBCWD, (2) Any refund by reason of any taxes, assessments, service charges, rentals, or rates collected prior to Emerald Bay's detachment.

E. Notwithstanding the foregoing, as of the effective date of LAFCO's recognition that the EBSD has the authority to exercise its power to provide water service to Emerald Bay and EBSD's detachment from LBCWD, the pipelines, valves, fire hydrants, and meters within EBSD (hereinafter

called the "Emerald Bay Water Facilities") shall become the property of EBSD, in their "as is" condition.

F. EBSD finds that following LAFCO's recognition of EBSD's authority to exercise its power to provide water service to Emerald Bay and Emerald Bay's detachment from LBCWD, the residents of Emerald Bay may be served water by EBSD, pursuant to the terms and conditions of this Agreement by and between LBCWD and EBSD. Accordingly, while the EBSD will undertake the obligation to provide water service to Emerald Bay following LAFCO's recognition of EBSD's authority to exercise its power to provide water service to Emerald Bay and Emerald Bay's detachment from LBCWD, EBSD contracts with LBCWD to provide wholesale water, maintain and operate the Emerald Bay Water Facilities, and contract engineering services, operation and maintenance services, and administrative services to EBSD pursuant to the terms and conditions of this Agreement. EBSD enters into this Agreement on behalf of the water rate payers of Emerald Bay.

G. LBCWD and EBSD seek the distribution as herein agreed, of the funds each agency deposited in an account pursuant to the "Joint Exercise of Powers Agreement Creating the Laguna Beach/Emerald Bay Public Facilities Authority" ("JPA").

H. LBCWD desires that EBSD release LBCWD from any and all liability related to EBSD's claims as described below in paragraph 16, and EBSD releases LBCWD from those claims.

NOW, THEREFORE, in consideration of the mutual promises set forth below, LBCWD and EBSD agree as follows:

Agreement

1. Water. Subject to the terms and conditions set forth in this Agreement, LBCWD agrees to provide wholesale, potable water to EBSD, as an independent water Community Service District,

and EBSD agrees to purchase all water needed by EBSD, to supply Emerald Bay, as a wholesale customer and independent agency, from LBCWD.

2. LBCWD charges to serve EBSD.

a. Cost of Water. EBSD shall pay LBCWD the same rate for water that LBCWD is charged for water purchased from Metropolitan Water District of Southern California ("MWD") delivered through the Municipal Water District of Orange County ("MWDOC") (the "wholesale rate for water"). The present wholesale rate for water is \$1.07 per CCF. The proportional impact of any and all increases or decreases in the wholesale rate for water purchased by LBCWD from MWDOC/MWD, or supplemental water from a source other than MWDOC/MWD, shall be passed on to EBSD retroactive to the date of such increases or decreases, in the form of rate increases or decreases. The wholesale water rate charged EBSD under this Agreement will never exceed LBCWD's wholesale cost of water.

b. Delivery Charge. In addition to the water rate set forth in "a." above, EBSD will pay a delivery charge of \$.74 per CCF to LBCWD, consisting of a charge for transportation and distribution and a meter charge based on the size of meter pursuant to the LBCWD Fee Schedule. The delivery charge paid for by EBSD includes unscheduled meter replacement, any repair or replacement of distribution pipelines or appurtenances in Emerald Bay costing less than \$5,000.00 per single project, exercise and normal maintenance as appropriate of valves, fire hydrants, and miscellaneous appurtenances. The proportional impact of any increases or decreases in costs to LBCWD for delivery will be passed on to EBSD, in the form of rate increases or decreases, retroactive to the date of such increases or decreases. The delivery charge to EBSD will never increase any more than to other LBCWD customers.

c. Administration and Overhead Expenses. In addition to the water rate set forth in "a." above, and the delivery charge set forth in "b." above, EBSD will pay LBCWD for its administration and overhead expenses at the rate of \$.61 per CCF. The proportional impact of any increases or decreases in costs to LBCWD with respect to administration and overhead expenses will be passed on to EBSD proportionately, in the form of rate increases or decreases, retroactive to the date such increased or decreased costs are incurred by LBCWD. LBCWD will make the documents which reflect increases and/or decreases in administration and overhead expenses available to EBSD to review in September of each year.

d. Capital Improvements. EBSD shall also be billed on a time and material basis, and shall pay LBCWD the entire cost for all capital improvements with respect to Emerald Bay Water Facilities, including, but not limited to, repair or replacement of distribution mains or appurtenances costing more than \$5,000.00 per single project, as well as any scheduled meter replacement, and scheduled valve and fire hydrant replacement. LBCWD will collect all the ad valorem property taxes within the LBCWD until such time as EBSD's detachment from LBCWD is final. The cost of capital improvements in EBSD's water system will be paid from Emerald Bay derived property taxes until EBSD directly receives such Emerald Bay derived property taxes, at which time LBCWD will bill EBSD for such capital improvements, and EBSD shall pay LBCWD for the same.

(1) LBCWD will notify EBSD of any capital improvements to be made except in case of emergency.

(2) LBCWD shall keep a careful record of all material provided and services performed; LBCWD and EBSD shall meet annually in September to review such records. LBCWD shall provide an itemized billing statement to EBSD in support of LBCWD's billing upon request.

e. Contribution to Cost of Providing Water to EBSD. EBSD will annually pay LBCWD 7% of LBCWD's total contribution to the LBCWD reservoir reserve fund, so long as EBSD is a wholesale water customer of LBCWD. (As LBCWD presently contributes \$400,000 annually to such fund from property taxes, it is anticipated that EBSD's annual contribution to such LBCWD fund will be \$28,000.00.)

f. EBSD Surcharge. In addition to the payments required above by paragraph 2 of this Agreement, EBSD may request that LBCWD add to the bill LBCWD sends to EBSD customers, a surcharge as determined from time to time by EBSD, to the extent permitted by law. LBCWD shall pay EBSD within fifteen (15) days of each month the surcharge levied and received by LBCWD from EBSD's customers, from the previous month's billings.

g. Limited Increases. Any increase imposed on EBSD with respect to the wholesale cost of water, delivery charge, and administration and overhead expenses, will not exceed the increase imposed on LBCWD retail customers.

3. Shortages. Any MWD/MWDOC water shortage allocation, any service interruption, and/or MWD/MWDOC supply restrictions will be proportionately allocated to LBCWD and EBSD customers.

4. Meters.

a. All service connections to the EBSD water system shall be metered.

b. LBCWD has the right to test any and all meters in EBSD for accuracy, and repair and/or replace defective meters as necessary, at EBSD's expense.

c. EBSD authorizes LBCWD to estimate consumption and submit an estimated billing to EBSD's customer(s) (estimations will be based on historical usage when possible), for

consumption if necessary, due to a defective meter, the unauthorized taking of water, or the inability to obtain an accurate meter reading.

d. EBSD shall grant LBCWD access to all water meters in Emerald Bay at all times.

5. Unmetered Water. EBSD agrees that LBCWD shall bill EBSD quarterly for all unmetered water usage, including, but not limited to, the cost of any water theft, system flushing, fire fighting or testings, and all other hydrant use, authorized or unauthorized.

6. Additional Fees. EBSD shall pay the rates and fees indicated in the Fee Schedule for Emerald Bay; the fees charged EBSD and its customers will be the same as the fees charged LBCWD's customers. The impact of any increase or decrease in costs to LBCWD to provide services identified in the Fee Schedule will be passed on to EBSD and the Fee Schedule will be modified accordingly.

7. EBSD Customer Bills. LBCWD shall, on behalf of EBSD, bill each EBSD customer as part of its administrative services on a bi-monthly cycle, and receive all payments from EBSD customers. The billing will include a charge for the "wholesale" cost of water based upon the customer's metered consumption, in addition to the delivery cost, administration and overhead expense, and any surcharge legally imposed by EBSD, if any, but pursuant to EBSD's request, will be shown on the bill as a water rate, meter charge, and EBSD surcharge. EBSD will reimburse LBCWD for all costs due to non-payment of bills, tampering with, removal of, or obstruction of any water meter, after LBCWD is unable to collect from the customer. Should LBCWD thereafter collect any sums from such customers, already paid by EBSD, LBCWD shall credit EBSD in the amount of such payment. Thirty days before LBCWD sends an EBSD customer to an outside source for collection, LBCWD shall advise EBSD.

8. Cooperation.

a. LBCWD Requests. EBSD agrees to cooperate with all reasonable requests of LBCWD to enable LBCWD to provide the services described above.

b. Provision of Services. EBSD grants to LBCWD, the sole and exclusive right to operate and maintain the Emerald Bay Water Facilities, for the term of this Agreement. LBCWD will apply the same standards with respect to the provision of water in Emerald Bay as throughout the LBCWD.

c. Access. EBSD agrees to grant unrestricted access to LBCWD to Emerald Bay's Water Facilities for the purposes of providing water and services pursuant to this Agreement.

d. Water Shut-Off and Right to Sever Connections. LBCWD shall have the right to shut-off water flow, or sever connections between EBSD's water system and that of LBCWD, when necessary to perform maintenance, construction or repairs to any portion of the water system, or in the case of a threat to the public water supply, and LBCWD will provide EBSD prior notice, whenever possible.

e. Identification. LBCWD personnel shall carry, or wear, indicia identifying themselves as LBCWD personnel at all times when servicing Emerald Bay.

f. Compliance with Laws. EBSD grants LBCWD the right to implement and enforce all applicable Federal, State and local laws pertaining to the operation of the water system in Emerald Bay, including, but not limited to statutes contained in the California Water Code, Health & Safety Code, Business and Professions Code, and all other California laws and regulations, as well as all cross-connection control and water quality regulations. EBSD shall assume ultimate liability for any administrative actions generated by regulatory agencies as a result of conditions within EBSD's water system that are beyond the operational control of LBCWD.

9. Term of Agreement.

a. Effective Date. This Agreement will become effective on the date that LAFCO recognizes that EBSD has the authority to exercise its power to provide water service to Emerald Bay and EBSD's detachment from LBCWD is final, except that Paragraphs 10, and 13 through 21, inclusive, of this Agreement are effective immediately upon execution by LBCWD and EBSD. The water rate payers of Emerald Bay shall remain the LBCWD's retail customers until such time as LAFCO recognizes that EBSD has the authority to exercise its power to provide water service to Emerald Bay and EBSD's detachment from LBCWD is final.

b. Termination. This Agreement will continue in effect from and after its effective date for five (5) years. This Agreement shall automatically renew for subsequent five (5) year terms, unless EBSD terminates this Agreement by delivering to LBCWD, at least six (6) months prior to the end of any five (5) year term, a written notice stating EBSD's intention not to renew this Agreement, in which case this Agreement will terminate at the end of the five year term in which such notice is timely given LBCWD by EBSD; additionally, EBSD reserves the right to terminate this Agreement on six (6) months advance written notice should LBCWD cease being a subsidiary district of the City of Laguna Beach. Notwithstanding the foregoing, EBSD may not terminate this Agreement as to Paragraphs 10, and 13 through 21, inclusive, of this Agreement.

c. Lease of Capacity. In the event that EBSD terminates this Agreement and notices LBCWD of EBSD's intent not to renew this Agreement, as provided above in paragraph 9.b, EBSD shall have the right to negotiate with LBCWD and execute a lease, for reasonable and fair compensation, for a portion of LBCWD's capacity to transport water to EBSD to serve water in Emerald Bay. Notwithstanding the foregoing, LBCWD cannot be compelled to enter into and/or

execute a lease with EBSD if circumstances change after September 18, 2001, which make LBCWD's execution unreasonable.

d. Legal and Equitable Remedies. Because of the importance of the services and water to be provided by LBCWD to EBSD pursuant to the terms of this Agreement, in addition to the other rights and remedies that EBSD may have for a breach of this Agreement, the EBSD shall have the right to enforce this Agreement, and all of its provisions, by injunction, specific performance, or other relief in a court of equity.

10 Assets. LBCWD owns and shall continue to own all reservoirs, water distribution lines, pumping stations, water facilities, property, real and personal, water rights, including but not limited to groundwater rights, moneys and funds, including cash on hand, moneys due but uncollected, all reserves of LBCWD, and all other assets of every kind (all hereinafter referred to as "LBCWD assets"). At the termination of this Agreement (EBSD's non-renewal of this Agreement pursuant to paragraph 9.b above). EBSD shall not: (1) make a claim for continuation of the water supply made available by this Agreement, based on reliance, estoppel, intervening public use, prescription, water shortage emergency, or unforeseen or unforeseeable increases in demand, or any other cause, or (2) claim any entitlement of any LBCWD assets, or any refund by reason of any taxes, assessments, service charges, rentals, or rates collected by LBCWD or others. Nor will EBSD encourage, support, or finance the filing of a claim or lawsuit by any individual or entity with respect to any LBCWD asset of any kind, as Government Code § 57353 provides:

"No inhabitant, property owner, taxpayer, consumer, or user within territory detached from a district or city shall be entitled to either of the following:

(a) All or any part or to any payment on account of the moneys or funds, including cash on hand and moneys due but uncollected, or any property, real or personal, of the city or district.

(b) Any refund by reason of any taxes, assessments, service charges, rentals, or rates collected prior to the effective date of the detachment."

Notwithstanding the foregoing, as of the effective date of LAFCO's recognition that the EBSD has the authority to exercise its power to provide water service to Emerald Bay and Emerald Bay's detachment from LBCWD, the Emerald Bay Water Facilities shall become the property of EBSD, in their "as is" condition.

11. Indemnification.

a. Indemnification of LBCWD. Except to the extent caused by the negligence or willful misconduct of LBCWD, its agents, employees, officers, directors, commissioners, subcontractors, and independent contractors, EBSD shall exonerate, hold harmless, indemnify, and defend LBCWD, its agents, employees, officers, directors, commissioners, subcontractors, independent contractors, and customers, from any and all claims, obligations, liabilities, costs, demands, damages (whether direct or consequential), expenses, suits or causes of action, including, but not limited to, costs and attorney's fees, which may arise out of any injury to or death of any person, and/or damage to property, if such injury, death or damage arises out of or is attributable to or results from the negligent acts or omissions of EBSD, EBSD's principals, officers, directors, employees, representatives, agents, assigns, contractors, subcontractors, and/or customers.

b. Indemnification of EBSD. Except to the extent caused by the negligence or willful misconduct of EBSD, its agents, officers, directors, employees, independent contractors, customers,

residents of Emerald Bay and/or owners of property within Emerald Bay, or their agents, employees, tenants, guests, or independent contractors, LBCWD shall exonerate, hold harmless, indemnify, and defend EBSD from any and all claims, obligations, liabilities, costs, demands, damages (whether direct or consequential), expenses, suits or causes of action, including, but not limited to, costs and attorney's fees, which may arise out of any injury to or death of any person, and/or damage to property, if such injury, death or damage arises out of or is attributable to or results from the negligent acts or omissions of LBCWD, LBCWD's employees, representatives, agents, officers, directors, commissioners, assigns, contractors, and/or subcontractors, in the LBCWD or in Emerald Bay, relating to water service to and in Emerald Bay.

12. Insurance.

a. LBCWD shall name EBSD as an additional covered party under its Association of California Water Agencies Joint Powers Insurance Authority Memorandum of Liability Coverage, so long as the EBSD purchases all of Emerald Bay's potable water from LBCWD.

b. For so long as EBSD purchases water from LBCWD, EBSD shall procure and maintain public liability, property damage, and products liability insurance which includes coverage for EBSD's water operations and Emerald Bay Water Facilities, issued by a responsible insurance company authorized to do business in California, rated A+/XII or better in Best's Insurance Guide, insuring EBSD and its employees, and naming LBCWD as an additional insured, against all bodily injury, property damage, personal injury, and other loss or liability suffered in Emerald Bay, and/or caused by or connected with EBSD (its agents and/or employees), and/or Emerald Bay Water Facilities, and/or the provision of water to Emerald Bay, of not less than:

(1) \$5,000,000 for injury to or death of one person and, subject to the limitation for the injury or death of one person, of not less than \$10,000,000 for injury to or death of two or more persons as a result of any one accident or incident; and

(2) \$10,000,000 for property damage.

Each of the insurance policies obtained by EBSD shall include an endorsement that, before changing or canceling any policy, the issuing insurance company shall give EBSD and LBCWD at least 30 days' prior written notice. The insurance shall include broad form contractual liability coverage insuring against EBSD's indemnity obligations under this Agreement. Each policy shall provide that the insurance is primary and noncontributory, shall provide for severability of interests, and shall provide that an act or omission by the insured party or any additional insured does not void or reduce coverage afforded the insured party or any additional insured. Such limits of liability shall be increased, and modified or additional types of coverage shall be obtained, when changed circumstances reasonably so require.

c. LBCWD shall make a copy of its Memorandum of Liability Coverage available to EBSD on its request, and EBSD shall make a copy of its insurance policy available to LBCWD on its request.

13. Assignment. EBSD shall not sell, assign, transfer, or encumber this Agreement.

14. Notice. Any notice required to be given under this Agreement may be given by personal delivery or U.S. mail (notice shall be deemed communicated as of the date of personal delivery, or five days from mailing), as follows:

To EBSD:
Emerald Bay Service District
600 Emerald Bay
Laguna Beach, CA 92651
Attention: General Manager

To LBCWD:
Laguna Beach County Water District
306 Third Street
Laguna Beach, CA 92651
Attention: General Manager

15. Disbursement of JPA funds. EBSD shall cause, from the \$322,500 deposited by LBCWD and EBSD in a JPA account: (1) the return of \$275,000.00 to LBCWD (which was previously deposited in a JPA account), (2) the return to EBSD of the sum of \$22,500.00, and (3) the payment to EBSD of \$25,000 from such account.

16. Compromise Agreement and Mutual Release. In return for valuable consideration, receipt of which is hereby acknowledged, EBSD and the Emerald Bay rate payers hereby waive, release and forever discharge, any and all claims, demands, actions and causes of actions of any and every kind and character, known or unknown, which they may have against the LBCWD, its officers, directors, commissioners, agents, attorneys, employees, sub-contractors, independent contractors, and customers, arising out of or relating to EBSD's allegation that it did not receive notice of LAFCO proceedings with respect to LBCWD, including, but not limited to, LBCWD's reorganization as a subsidiary district of the City of Laguna Beach, EBSD's allegation that Emerald Bay is not represented by the ex officio Board of Directors of LBCWD, and the November, 2000 vitiation of both the Water Facilities Agreement and Joint Exercise of Powers Agreement Creating the Laguna Beach/Emerald Bay Public Facilities Authority ("JPA") entered into between LBCWD and EBSD. This release and the consideration for which it is provided is pursuant to a settlement and compromise of contested claims and shall not be construed by any party to be an admission of liability in any form or amount. EBSD and the rate payers of Emerald Bay expressly waive any and all rights under Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

17. Integration Clause. This Agreement constitutes the entire understanding between LBCWD and EBSD regarding the subjects covered, and that understanding shall not be modified, terminated, or discharged except by a subsequent written agreement signed by both parties, except as provided herein.

18. Limitation. Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the parties or to make either party the agent of the other. Neither party shall be or become liable or bound by any representation, act, omission, or agreement of the other which may be contrary to the provisions of this Agreement.

19. Attorneys' Fees and Costs. If any legal action or other proceeding is brought for the enforcement or interpretation of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled. This provision applies to the entire Agreement.

20. Representation. Each party to this Agreement was represented by counsel in its negotiation and execution.

21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

22. Acts Beyond the Control of the Parties. In the event the performance of this Agreement by either party is prevented or delayed by act of God, war, civil insurrection, terrorism, state of emergency, an act of any public enemy, domestic unrest, the elements, fire, flood, storm, earthquake, strikes, lockouts, or by any law, regulation, or order of any federal, state, county, municipal authority, or any agency thereof, or by any other cause beyond the control of either party, such parties' performance, to the extent it is so prevented or delayed, shall be excused. However, nothing contained in this paragraph shall excuse the prompt payment of sums due as required by this

Agreement or the performance of any act rendered difficult solely because of the financial condition of the party required to perform the act.

IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be executed the date first above written.

EMERALD BAY SERVICE DISTRICT

By *Vicki Chaudhry*

By *Paul Cox*

LAGUNA BEACH COUNTY WATER DISTRICT

By *Paul Cox*

By *Barbara M. Hickey*

APPROVED AS TO FORM:

STRADLING, YOCCA, CARLSON & RAUTH

By *Fritz Stradling*
Fritz Stradling, Esq., Attorneys for Emerald Bay
Service District

ROCKWELL & MEYER, INC.

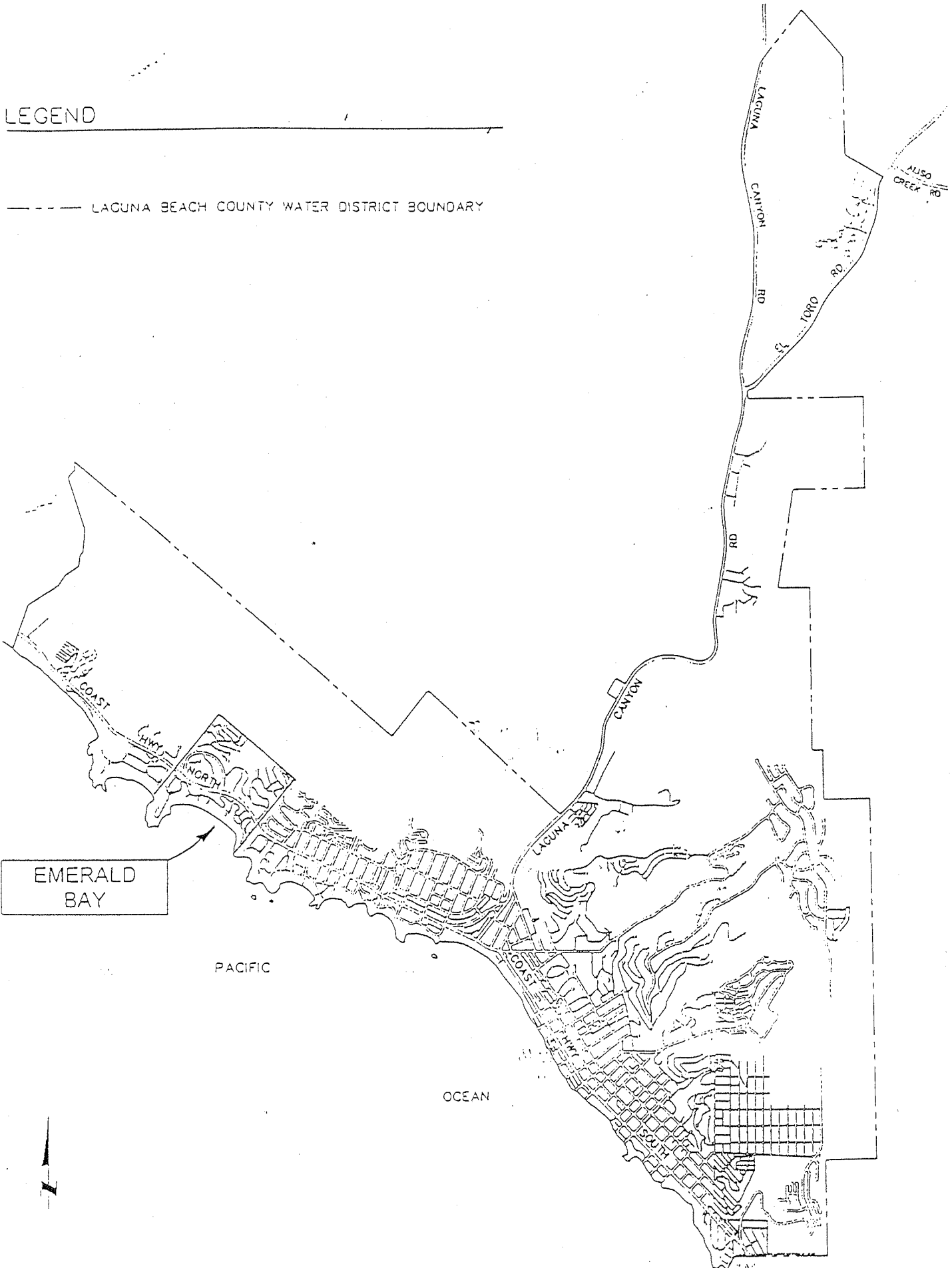
By *Paula E. Meyer*
Paula E. Meyer, Attorneys for Laguna Beach
County Water District

EXHIBIT A

BOUNDARY MAP OF
LAGUNA BEACH COUNTY WATER DISTRICT

LEGEND

----- LACUNA BEACH COUNTY WATER DISTRICT BOUNDARY



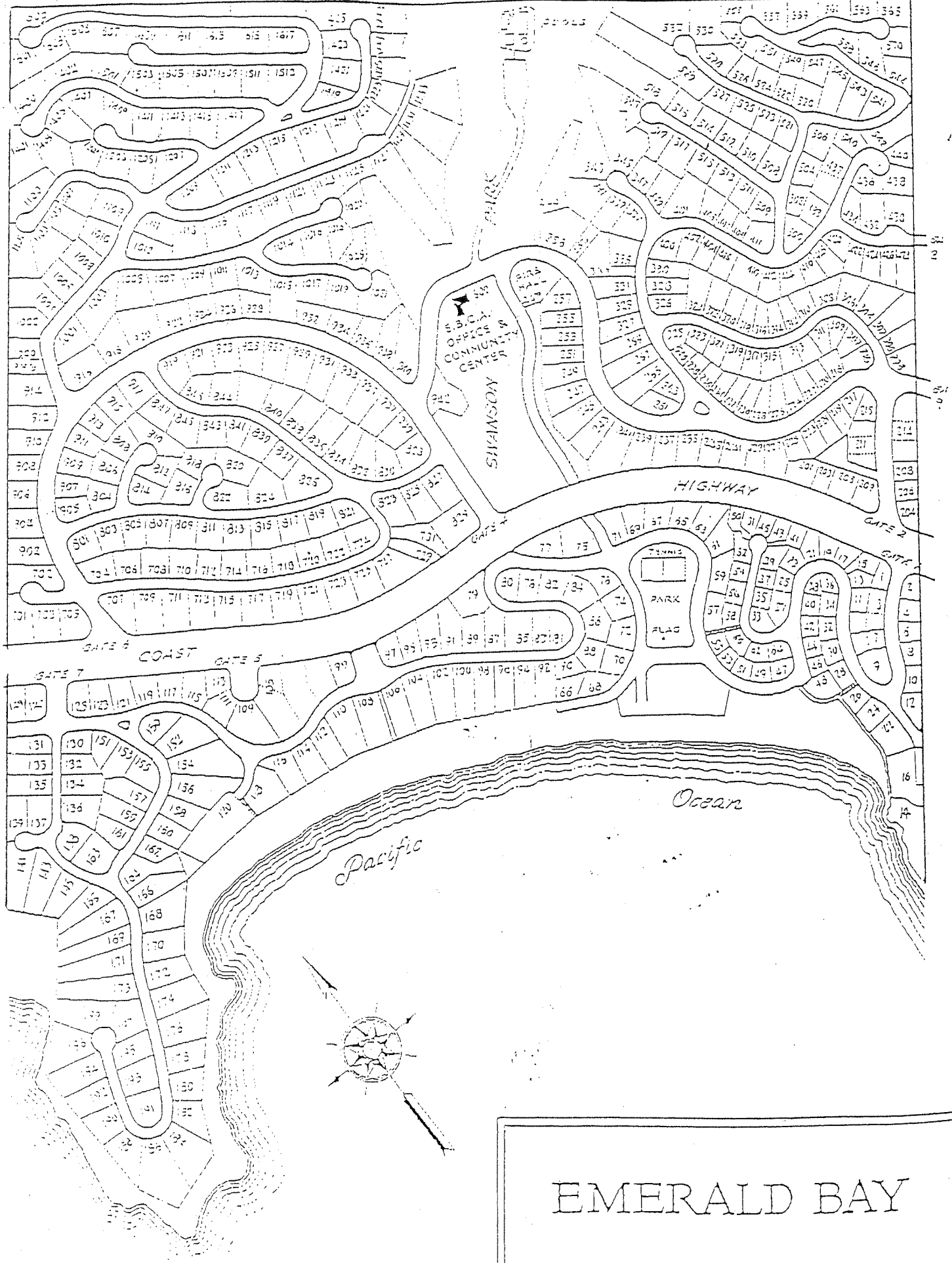
EMERALD BAY

PACIFIC

OCEAN

EXHIBIT B

BOUNDARY MAP OF
EMERALD BAY



EMERALD BAY

Appendix D

Water Loss Audit



AWWA Free Water Audit Software: Water Balance

WAS v5.0

American Water Works Association.
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Water Audit Report for:	Laguna Beach County Water District	
Reporting Year:	2014-2015	7/2014 - 6/2015
Data Validity Score:	48	

	Water Exported	Billed Water Exported				
	<i>0.000</i>					
Own Sources (Adjusted for known errors) <i>0.000</i>	Water Supplied <i>4,010.488</i>	Authorized Consumption <i>3,681.692</i>	Billed Authorized Consumption <i>3,667.396</i>	Billed Metered Consumption (water exported is removed) <i>3,667.396</i>	Revenue Water <i>3,667.396</i>	
				Billed Unmetered Consumption <i>0.000</i>		
		Water Losses <i>328.795</i>	Unbilled Authorized Consumption <i>14.296</i>	Unbilled Metered Consumption <i>4.270</i>	Non-Revenue Water (NRW) <i>343.091</i>	
				Unbilled Unmetered Consumption <i>10.026</i>		
		Water Imported <i>4,010.488</i>	Real Losses <i>272.513</i>	Apparent Losses <i>56.282</i>	Unauthorized Consumption <i>10.026</i>	
					Customer Metering Inaccuracies <i>37.088</i>	
	Systematic Data Handling Errors <i>9.168</i>					
			Leakage on Transmission and/or Distribution Mains <i>Not broken down</i>			
			Leakage and Overflows at Utility's Storage Tanks <i>Not broken down</i>			
			Leakage on Service Connections <i>Not broken down</i>			

Appendix E

SB X7-7 Tables

Appendix E

SB X7-7 Verification Tables

SB X7-7 Table 0: Units of Measure Used in UWMP* <i>(select one from the drop down list)</i>
Acre Feet
<i>*The unit of measure must be consistent with Table 2-3</i>
NOTES:

SB X7-7 Table-1: Baseline Period Ranges			
Baseline	Parameter	Value	Units
10- to 15- year baseline period	2008 total water deliveries	3,863	Acre Feet
	2008 total volume of delivered recycled water	-	Acre Feet
	2008 recycled water as a percent of total deliveries	0.00%	Percent
	Number of years in baseline period ^{1, 2}	10	Years
	Year beginning baseline period range	1995	
	Year ending baseline period range ³	2004	
5-year baseline period	Number of years in baseline period	5	Years
	Year beginning baseline period range	2003	
	Year ending baseline period range ⁴	2007	
<i>¹If the 2008 recycled water percent is less than 10 percent, then the first baseline period is a continuous 10-year period. If the amount of recycled water delivered in 2008 is 10 percent or greater, the first baseline period is a continuous 10- to 15-year period. ²The Water Code requires that the baseline period is between 10 and 15 years. However, DWR recognizes that some water suppliers may not have the minimum 10 years of baseline data.</i>			
<i>³The ending year must be between December 31, 2004 and December 31, 2010.</i>			
<i>⁴The ending year must be between December 31, 2007 and December 31, 2010.</i>			
NOTES:			

SB X7-7 Table 2: Method for Population Estimates	
Method Used to Determine Population (may check more than one)	
<input type="checkbox"/>	1. Department of Finance (DOF) DOF Table E-8 (1990 - 2000) and (2000-2010) and DOF Table E-5 (2011 - 2015) when available
<input type="checkbox"/>	2. Persons-per-Connection Method
<input type="checkbox"/>	3. DWR Population Tool
<input checked="" type="checkbox"/>	4. Other DWR recommends pre-review
NOTES: Population numbers were prepared for MWDOC by the Center for Demographic Research at Cal State University Fullerton (CDR).	

SB X7-7 Table 3: Service Area Population		
	Year	Population
10 to 15 Year Baseline Population		
Year 1	1995	18,624
Year 2	1996	18,722
Year 3	1997	18,827
Year 4	1998	18,934
Year 5	1999	19,379
Year 6	2000	19,407
Year 7	2001	19,440
Year 8	2002	19,443
Year 9	2003	19,382
Year 10	2004	19,222
5 Year Baseline Population		
Year 1	2003	19,443
Year 2	2004	19,382
Year 3	2005	19,222
Year 4	2006	18,626
Year 5	2007	18,490
2015 Compliance Year Population		
	2015	19,225
NOTES:		

SB X7-7 Table 4: Annual Gross Water Use *								
Baseline Year <i>Fm SB X7-7 Table 3</i>	Volume Into Distribution System <i>This column will remain blank until SB X7-7 Table 4-A is completed.</i>	Deductions					Annual Gross Water Use	
		Exported Water	Change in Dist. System Storage (+/-)	Indirect Recycled Water <i>This column will remain blank until SB X7-7 Table 4-B is completed.</i>	Water Delivered for Agricultural Use	Process Water <i>This column will remain blank until SB X7-7 Table 4-D is completed.</i>		
10 to 15 Year Baseline - Gross Water Use								
Year 1	1995	4,317			-		-	4,317
Year 2	1996	4,120			-		-	4,120
Year 3	1997	3,982			-		-	3,982
Year 4	1998	4,388			-		-	4,388
Year 5	1999	4,651			-		-	4,651
Year 6	2000	4,371			-		-	4,371
Year 7	2001	4,317			-		-	4,317
Year 8	2002	4,608			-		-	4,608
Year 9	2003	4,480			-		-	4,480
Year 10	2004	4,164			-		-	4,164
<i>Year 11</i>	0	-			-		-	-
<i>Year 12</i>	0	-			-		-	-
<i>Year 13</i>	0	-			-		-	-
<i>Year 14</i>	0	-			-		-	-
<i>Year 15</i>	0	-			-		-	-
10 - 15 year baseline average gross water use								4,340
5 Year Baseline - Gross Water Use								
Year 1	2003	4,480			-		-	4,480
Year 2	2004	4,164			-		-	4,164
Year 3	2005	4,147			-		-	4,147
Year 4	2006	4,281			-		-	4,281
Year 5	2007	3,863			-		-	3,863
5 year baseline average gross water use								4,187
2015 Compliance Year - Gross Water Use								
2015		3,630	-		-		-	3,516
* NOTE that the units of measure must remain consistent throughout the UWMP								
NOTES:								

SB X7-7 Table 4-A: Volume Entering the Distribution System(s) Complete one table for each source.				
Name of Source		MWDOC		
This water source is:				
<input type="checkbox"/>	The supplier's own water source			
<input checked="" type="checkbox"/>	A purchased or imported source			
Baseline Year <i>Fm SB X7-7 Table 3</i>		Volume Entering Distribution System	Meter Error Adjustment* <i>Optional (+/-)</i>	Corrected Volume Entering Distribution System
10 to 15 Year Baseline - Water into Distribution System				
Year 1	1995	4,317		4,317
Year 2	1996	4,120		4,120
Year 3	1997	3,982		3,982
Year 4	1998	4,388		4,388
Year 5	1999	4,651		4,651
Year 6	2000	4,371		4,371
Year 7	2001	4,317		4,317
Year 8	2002	4,608		4,608
Year 9	2003	4,480		4,480
Year 10	2004	4,164		4,164
5 Year Baseline - Water into Distribution System				
Year 1	2003	4,480		4,480
Year 2	2004	4,164		4,164
Year 3	2005	4,147		4,147
Year 4	2006	4,281		4,281
Year 5	2007	3,863		3,863
2015 Compliance Year - Water into Distribution System				
	2015	3,630		3,630
* Meter Error Adjustment - See guidance in Methodology 1, Step 3 of Methodologies Document				
NOTES:				

SB X7-7 Table 5: Gallons Per Capita Per Day (GPCD)				
Baseline Year <i>Fm SB X7-7 Table 3</i>		Service Area Population <i>Fm SB X7-7 Table 3</i>	Annual Gross Water Use <i>Fm SB X7-7 Table 4</i>	Daily Per Capita Water Use (GPCD)
10 to 15 Year Baseline GPCD				
Year 1	1995	18,624	4,317	207
Year 2	1996	18,722	4,120	196
Year 3	1997	18,827	3,982	189
Year 4	1998	18,934	4,388	207
Year 5	1999	19,379	4,651	214
Year 6	2000	19,407	4,371	201
Year 7	2001	19,440	4,317	198
Year 8	2002	19,443	4,608	212
Year 9	2003	19,382	4,480	206
Year 10	2004	19,222	4,164	193
<i>Year 11</i>	0	-	-	
<i>Year 12</i>	0	-	-	
<i>Year 13</i>	0	-	-	
<i>Year 14</i>	0	-	-	
<i>Year 15</i>	0	-	-	
10-15 Year Average Baseline GPCD				202
5 Year Baseline GPCD				
Baseline Year <i>Fm SB X7-7 Table 3</i>		Service Area Population <i>Fm SB X7-7 Table 3</i>	Gross Water Use <i>Fm SB X7-7 Table 4</i>	Daily Per Capita Water Use
Year 1	2003	19,443	4,480	206
Year 2	2004	19,382	4,164	192
Year 3	2005	19,222	4,147	193
Year 4	2006	18,626	4,281	205
Year 5	2007	18,490	3,863	187
5 Year Average Baseline GPCD				196
2015 Compliance Year GPCD				
2015		19,225	3,630	169
NOTES:				

SB X7-7 Table 6: Gallons per Capita per Day Summary From Table SB X7-7 Table 5	
10-15 Year Baseline GPCD	202
5 Year Baseline GPCD	196
2015 Compliance Year GPCD	169
NOTES:	

SB X7-7 Table 7: 2020 Target Method Select Only One		
Target Method		Supporting Documentation
<input checked="" type="checkbox"/>	Method 1	SB X7-7 Table 7A
<input type="checkbox"/>	Method 2	SB X7-7 Tables 7B, 7C, and 7D <i>Contact DWR for these tables</i>
<input type="checkbox"/>	Method 3	SB X7-7 Table 7-E
<input type="checkbox"/>	Method 4	Method 4 Calculator
NOTES:		

SB X7-7 Table 7-A: Target Method 1 20% Reduction	
10-15 Year Baseline GPCD	2020 Target GPCD
202	162
NOTES:	

SB X7-7 Table 7-F: Confirm Minimum Reduction for 2020 Target			
5 Year Baseline GPCD <i>From SB X7-7 Table 5</i>	Maximum 2020 Target ¹	Calculated 2020 Target ²	Confirmed 2020 Target
196	187	162	162
<i>¹Maximum 2020 Target is 95% of the 5 Year Baseline GPCD ²2020 Target is calculated based on the selected Target Method, see SB X7-7 Table 7 and corresponding tables for agency's calculated target.</i>			
NOTES:			

SB X7-7 Table 8: 2015 Interim Target GPCD		
Confirmed 2020 Target <i>Fm SB X7-7 Table 7-F</i>	10-15 year Baseline GPCD <i>Fm SB X7-7 Table 5</i>	2015 Interim Target GPCD
162	202	182
NOTES:		

SB X7-7 Table 9: 2015 Compliance								
Actual 2015 GPCD	2015 Interim Target GPCD	Optional Adjustments (<i>in GPCD</i>)					2015 GPCD (<i>Adjusted if applicable</i>)	Did Supplier Achieve Targeted Reduction for 2015?
		Enter "0" if Adjustment Not Used			TOTAL Adj.	Adjusted 2015 GPCD		
		Extraordinary Events	Weather Normalization	Economic Adjustment				
169	182	<i>From Methodology 8 (Optional)</i>	<i>From Methodology 8 (Optional)</i>	<i>From Methodology 8 (Optional)</i>	-	169	169	YES
NOTES:								

Appendix F

2016 Agreement between OCWD and LBCWD Regarding Groundwater Production within OCWD Groundwater Basin

Orange County Basin Groundwater Management Plan

AGREEMENT BETWEEN ORANGE COUNTY WATER DISTRICT AND LAGUNA BEACH COUNTY WATER DISTRICT REGARDING LAGUNA BEACH COUNTY WATER DISTRICT GROUNDWATER PRODUCTION WITHIN ORANGE COUNTY WATER DISTRICT GROUNDWATER BASIN

This Agreement is entered into as of 1-20, 2016, by and between the ORANGE COUNTY WATER DISTRICT, a special district of the State of California created and formed under the Orange County Water District Act, Chapter 924, California Statutes of 1933, as amended (“OCWD”) and the LAGUNA BEACH COUNTY WATER DISTRICT, a County water district formed and operated pursuant to Water Code sections 30200, *et seq.* (“LBCWD”) (OCWD and LBCWD are each hereinafter referred to as a “Party,” and collectively as the “Parties”).

RECITALS

A. Pursuant to the Orange County Water District Act, Chapter 924 of the California Statutes of 1933, as amended (the “OCWD Act”), the Legislature of the State of California has vested in OCWD the statutory responsibility to manage, regulate, replenish and protect the quality and quantity of the subterranean groundwater supplies within the boundaries of OCWD, and the large subterranean groundwater basin underlying the OCWD boundaries (the “OCWD Basin”).

B. Prior to the creation of OCWD, LBCWD owned and operated groundwater production wells near the coast of the Pacific Ocean in the City of Huntington Beach, California. LBCWD produced groundwater from the OCWD Basin and transported the produced groundwater through a pipeline to the LBCWD service area in the City of Laguna Beach, California.

C. Prior to the creation of OCWD, litigation entitled *Campbell, et al. v. The Irvine Co., et al.*, Orange County Superior Court Case No. 29524 (the “1933 Adjudication Lawsuit”) was filed against LBCWD and other producers of groundwater within the OCWD Basin to define the water rights of the litigant parties. On June 13, 1933, judgment was entered in the 1933 Adjudication Lawsuit (the “1933 Adjudication Judgment”). Paragraph X of the 1933 Adjudication Judgment adjudicated to LBCWD, as against all other land owners overlying the OCWD Basin, the right to produce up to 2,025 acre feet per year from a specified area near the coast of the Pacific Ocean in the vicinity of Huntington Beach, California, and overlying the OCWD Basin.

D. By the enactment of the OCWD Act, OCWD was created in 1934. OCWD’s original boundaries included the service area of LBCWD. However, due to increased groundwater production within the Basin, seawater intrusion became more pronounced and diminished water quality at LBCWD’s wells in Huntington Beach. As a result of this water quality impact, LBCWD abandoned its Huntington Beach wells and thereafter detached its territory from OCWD in 1949.

E. Beginning in the mid-1980's, LBCWD commenced discussions with OCWD regarding the resumption of LBCWD groundwater production from within the OCWD Basin, based upon LBCWD's assertion of pre-existing rights under the 1933 Adjudication Judgment.

F. On June 1, 1993, OCWD and LBCWD entered into a "Memorandum of Understanding between Orange County Water District and Laguna Beach County Water District Relating to Groundwater Development in the Santa Ana Basin" (the "1993 MOU"), under which OCWD implicitly acknowledged LBCWD's right to produce and transport up to 2,025 acre feet of groundwater per year from the OCWD Basin from a production well to be developed and constructed in Huntington Beach seaward of the "Talbert Barrier," subject to LBCWD complying with all of the provisions of OCWD Act applicable to all groundwater producers within OCWD's boundaries.

G. After investigation, LBCWD has determined that its proposed production of groundwater from the location identified in the 1993 MOU would not be productive because of the degradation of groundwater quality in that location due to sea water intrusion and the presence of colored water.

H. LBCWD and OCWD mutually desire to enter into this Agreement to set forth the manner in which LBCWD may exercise its groundwater production rights under the 1933 Adjudication Judgment.

NOW, THEREFORE, in consideration of the facts recited above and the covenants, conditions and promises set forth below, OCWD and LBCWD agree as follows:

SECTION 1: LBCWD RIGHTS UNDER THE 1933 ADJUDICATION JUDGMENT.

1.1 LBCWD shall have the right, under the 1933 Adjudication Judgment, to produce up to 2,025 acre feet per year of groundwater from any location within the OCWD Basin.

1.2 Except as set forth in Paragraph 1.1 above, LBCWD shall have no right to produce any groundwater from within the OCWD Basin, or to export or receive any groundwater from the OCWD Basin. LBCWD acknowledges that its groundwater production and importation right under the 1933 Adjudication Judgment and this Agreement is limited to no more than 2,025 acre feet per year.

1.3 LBCWD shall comply with all of the provisions of the OCWD Act that are applicable to all groundwater producers within the boundaries of OCWD, including but not limited to the registration of groundwater production facilities; groundwater production reporting requirements; the payment of replenishment assessments and additional replenishment assessments on produced groundwater; groundwater production requirements and limitations, if applicable; and the payment of basin equity assessments and surcharges, if applicable, on produced groundwater.

1.4 For purposes of LBCWD's annual basin equity assessment report of groundwater production relative to total water supplies and the imposition of basin equity assessments and surcharges, pursuant to Section 31.5 of the OCWD Act, the basin production percentage ("BPP") annually established by OCWD pursuant to Section 31.5(g)(2)(B) of the OCWD Act shall be

applied to the total annual water supplies of LBCWD. The following two examples shall guide the Parties in calculating any basin equity assessments (“BEA”) and surcharges due from LBCWD to OCWD by reason of LBCWD’s production of groundwater of the OCWD Basin under different BPP scenarios:

1.4.1 Assumed BPP of 70%.

- Total LBCWD Water Supplies = 3,100AFY
- Maximum LBCWD Groundwater Production Within BPP (i.e., without payment of BEA) = 2,170AFY (70% x 3,100AFY)
- LBCWD Pumping Within BPP = 2,025AFY (LBCWD pays RA and ARA on 2,025AFY, but pays no BEA or surcharge)

1.4.2 Assumed BPP of 65%.

- Total LBCWD Water Supplies = 3,100AFY
- Maximum LBCWD Groundwater Production Within BPP (i.e., without payment of BEA) = 2,015AFY (65% x 3,100AFY)
- LBCWD Pumping Within BPP = 2,015AFY and 10AFY above BPP (LBCWD pays RA and ARA, but not BEA or surcharge, on 2,015AFY, and pays RA, ARA BEA and any surcharge on 10AFY)

SECTION 2: LBCWD GROUNDWATER PRODUCTION.

2.1 LBCWD may exercise its groundwater production rights under the 1933 Adjudication Judgment and this Agreement either by constructing and operating its own groundwater production facility in accordance with Paragraph 2.2 herein, or by accepting delivery of groundwater produced by a producer within the OCWD boundaries, in accordance with Paragraph 2.3 herein.

2.2 In the event that LBCWD determines to exercise its groundwater production rights by constructing and operating its own groundwater production facility:

2.2.1 LBCWD shall register such groundwater production facility in accordance with Section 24 of the OCWD Act, and shall install on such groundwater production facility and operate a water flow measuring device as required by Section 35 of the OCWD Act; and

2.2.2 LBCWD shall be responsible for all property acquisition and well construction costs, as well as all pipeline right-of-way and construction costs (or the lease of capacity in existing or future pipeline facilities) in order to transport the produced groundwater to the LBCWD service area.

2.3 In the event that LBCWD determines to exercise its groundwater production rights by receiving delivery of up to 2,025 acre-feet per year of groundwater produced by a groundwater producer within the OCWD boundaries (hereinafter, a “Participating Producer”), the following terms and conditions shall apply:

2.3.1 Upon LBCWD identifying the Participating Producer and entering into a contract or other instrument by which the Participating Producer will produce groundwater on behalf of LBCWD, LBCWD and the Participating Producer shall jointly execute and deliver to OCWD a notice containing all of the following information:

- (i) Identification of the Participating Producer’s groundwater production facility(ies) from which groundwater will be produced on behalf of LBCWD.
- (ii) Description of the existing or proposed transmission and/or distribution pipelines and appurtenant facilities through which such groundwater will be transported to LBCWD.
- (iii) Identification of any intervening local agencies or water purveyors by or through which such groundwater will be transported before entering the LBCWD service area.
- (iv) The projected annual schedule for the Participating Producer’s production of groundwater on behalf of LBCWD in accordance with this Agreement.

2.3.2 In addition to the biannual water production statement filed by the Participating Producer regarding groundwater produced by the Participating Producer for the benefit of its customers and water users pursuant to Section 29 of the OCWD Act, the Participating Producer and LBCWD shall biannually jointly file with OCWD a separate water production statement reflecting the groundwater produced by the Participating Producer on behalf of LBCWD under this Agreement (the “Joint Water Production Statement”). Each such Joint Water Production Statement shall conform in all respects to the requirements of Section 29 of the OCWD Act, except as set forth in this Paragraph 2.3.

2.3.3 In addition to the annual basin equity assessment report filed by the Participating Producer regarding groundwater produced by the Participating Producer for the benefit of its customers and water users pursuant to Section 31.5(j) of the OCWD Act, the Participating Producer and LBCWD shall annually jointly file with OCWD a separate basin equity assessment report reflecting the groundwater produced by the Participating Producer on behalf of LBCWD under this Agreement (the “Joint BEA Report”). Each such Joint BEA Report shall conform in all respects to the requirements of Section 31.5(j) of the OCWD Act, except as set forth in this Paragraph 2.3.

2.3.4 LBCWD shall pay to OCWD the replenishment assessment and additional replenishment assessment established by OCWD pursuant to Sections 27 and 27.1 of the OCWD Act on all groundwater produced by the Participating Producer on behalf of LBCWD, as reflected in each Joint Water Production Statement filed with OCWD.

2.3.5 LBCWD shall pay to OCWD the BEA and surcharge, if applicable, on all groundwater produced by the Participating Producer on behalf of LBCWD in excess of the BPP, based upon the groundwater production reported in each Joint BEA Report filed with OCWD

and in accordance with Section 31.5(j) of the OCWD Act and the calculation methodology in Paragraph 1.4 above.

2.3.6 LBCWD shall be responsible for all pipeline right-of-way and construction costs (or the lease of capacity in existing or future pipeline facilities) in order to transport to the LBCWD service area the groundwater produced by the Participating Producer on behalf of LBCWD.

2.4 LBCWD shall be responsible for preparing, processing and approving, as the lead agency, all documentation required by the California Environmental Quality Act, Public Resources Code section 21000, *et seq.* (“CEQA”), as may be required for LBCWD’s construction of groundwater production facilities and pipeline facilities, or the use of groundwater production facilities and pipeline facilities owned by the Participating Producer and/or other parties, and the production and use of groundwater under this Agreement. LBCWD shall indemnify, defend and hold harmless OCWD and its officers, directors, employees, agents and representatives (collectively, “OCWD Parties”) from and against any and all lawsuits, actions, causes of actions, claims and demands, and any and all court costs and attorneys’ fees related thereto (collectively, “Claims”) in any way relating to the approval of this Agreement, the approval of any CEQA document by LBCWD as lead agency or by OCWD as responsible agency, if applicable, or to any groundwater production by or behalf of LBCWD from within the OCWD Basin.

SECTION 3: CONSIDERATION FOR LBCWD GROUNDWATER PRODUCTION RIGHTS.

3.1 In addition to (and not in lieu of) LBCWD’s payment of all applicable replenishment assessments, additional replenishment assessments and basin equity assessments under the OCWD Act for all groundwater produced by or on behalf of LBCWD from within the OCWD Basin under this Agreement, LBCWD shall pay to OCWD the sum of \$3,100,000 (the “OCWD Consideration”). The OCWD Consideration shall be paid in five equal annual installments of \$620,000 per year, as follows:

3.1.1 The first \$620,000 installment payment on the OCWD Consideration shall be paid by LBCWD to OCWD within 10 calendar days of LBCWD or the Participating Producer commencing the extraction of groundwater for LBCWD’s benefit.

3.1.2 The second \$620,000 installment payment on the OCWD Consideration shall be due and payable by LBCWD to OCWD within 12 months following the payment of the first installment as set forth in Paragraph 3.1.1, above.

3.1.3 Each succeeding \$620,000 installment payment shall be made by LBCWD to OCWD on or before the annual anniversary of the first such installment payment as set forth in Paragraph 3.1.1, until such time as LBCWD has paid the full amount of the OCWD Consideration in the amount of \$3,100,000.

3.1.4 Notwithstanding the foregoing, LBCWD may pay to OCWD the OCWD Consideration, or any installment, prior to the deadlines set forth in Paragraphs 3.1.1, 3.1.2 and 3.1.3.

3.2 As partial consideration to OCWD under this Agreement, LBCWD shall, to the maximum extent permitted by law, indemnify, defend and hold harmless OCWD and the OCWD Parties from and against any and all Claims in any way arising out of or connected with the performance or non-performance of LBCWD or the Participating Producer under this Agreement, or LBCWD's discharge or failure to discharge its obligations hereunder, or in any way relating to LBCWD's negligent acts or omissions or willful misconduct under this Agreement.

3.3 OCWD and LBCWD each release, forever discharge and covenant not to sue the other Party, and its respective directors, officers, employees, representatives and agents, from any and all Claims which the releasing Party could otherwise bring or have brought against the other Party with respect to LBCWD's asserted right to produce groundwater under the 1933 Adjudication Judgment, OCWD's construction and operation of GWRS injection wells within LBCWD's groundwater production area as defined by Paragraph X of the 1933 Adjudication Judgment, or any other issue or matter relating to LBCWD's asserted groundwater rights or OCWD's groundwater management rights and activities prior to the date of this Agreement. Each of the Parties acknowledges that it is familiar with the provisions of California Civil Code section 1542, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

OCWD and LBCWD, being aware of Civil Code section 1542, each hereby expressly waives any rights it may have thereunder, as well as under any other statutes or common law principles of similar effect.

3.4 By the execution of this Agreement, the Parties hereby rescind the 1993 MOU. From and after the date execution of this Agreement, the 1993 MOU shall have no further force or effect.

3.5 The parties acknowledge that, for so long as this Agreement remains in effect, any and all rights that LBCWD may have to produce groundwater from the Basin, including but not limited to any rights under the 1933 Adjudication Judgment, shall be limited to those rights set forth in this Agreement. For so long as this Agreement remains in effect, LBCWD shall have no rights to produce groundwater within the OCWD Basin, or to receive or import groundwater produced within the OCWD Basin, other than as set forth in this Agreement.

SECTION 4: MISCELLANEOUS.

4.1 Notices. All payments, notices or other communications provided for or permitted under this Agreement shall be made by hand delivery, pre-paid first class mail, or email, or reputable overnight courier (e.g., FedEx, UPS) as follows:

To OCWD:

Orange County Water District

18700 Ward Street
P.O. Box 8300
Fountain Valley, CA 92728-8300
Attention: General Manager
Email: _____

To LBCWD:

Laguna Beach County Water District
306 Third Street
P.O. Box 987
Laguna Beach, CA 92652
Attention: _____
Email: _____

All such payments, notices and communication shall be deemed to have been duly given when delivered, if personally delivered or if delivered by email, where an email provides a date and time stamp of date of transmission; on date of delivery when delivered by a reputable overnight courier that provides written documentation of delivery; and two business days after being deposited in the mail, postage pre-paid, if mailed as described above. Each Party may, by written notice to the other as set forth herein, change the name, address or contact person for that Party.

4.2 Assignment Prohibited. No Party shall assign this Agreement, in whole or in part, or any of its interests hereunder, to any other person or entity, without the prior written consent of the other Party, which may be withheld in its sole and absolute discretion. Any attempt to transfer or assign this Agreement, or any privilege hereunder, without such written consent shall be void and confer no right on any person or entity that is not a Party to this Agreement.

4.3 No Third Party Beneficiaries. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, other than the Parties hereto and their respective authorized successors and assigns, any legal or equitable right, remedy or claim under or in respect to this Agreement or any provisions contained in this Agreement. This Agreement and all of the conditions and provisions hereof are intended to be, and are, for the sole and exclusive benefit of the Parties hereto and their respective authorized successors and assigns, and for the benefit of no other person or entity.

4.4 Further Assurances. Each Party, upon the request of the other, agrees to perform such further acts and to execute and deliver such further documents as are reasonably necessary to carry out the provisions of this Agreement.

4.5 Interpretation. The Parties hereto have jointly participated in the drafting of this Agreement and this Agreement shall not be construed for or against any Party. The language and all parts of this Agreement shall be in all cases construed simply accordingly to its fair meaning and not strictly for or against any Party hereto, and section 1654 of the California Civil Code has no applicability to the interpretation of this Agreement.

4.6 Governing Laws; Disputes and Attorneys' Fees. The laws of the State of California shall govern the interpretation and enforcement of this Agreement. The non-prevailing Party in any claim, suit or other action relating to the interpretation or enforcement of this Agreement shall pay to the prevailing Party the costs of such prevailing Party's attorneys' fees and expenses and all other costs and expenses incurred by the prevailing Party in such action, whether such action proceeds to judgment or is resolved prior to judgment.

4.7 Venue. Any legal action initiated pursuant to this Agreement or otherwise with respect to its subject matter shall be instituted in the Superior Court of the County of Orange, California.

4.8 Waiver; Remedies. No delay on the part of either Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder. Any single or partial exercise of any right, power or privilege hereunder shall not preclude any other or further exercise thereof, or the exercise of any other right, power or privilege under this Agreement.

4.9 Status of Parties. Nothing in this Agreement shall be construed to make the Parties joint venturers or partners, or to create any relationship of principal and agent, and the Parties specifically disavow any such relationship.

4.10 Severability. Should any provision of this Agreement prove to be invalid or illegal, such invalidity or illegality shall in no way affect, impair or invalidate any other provisions of this Agreement, and such remaining provisions shall remain in full force and effect; provided, however, if the illegality or invalidity of any provision undermines the intent of the Parties, then the Parties shall attempt in good faith to amend this Agreement in order to fulfill the intent of the Parties. If the Parties are unable to so amend this Agreement, then this Agreement shall terminate and be of no further force or effect.

4.11 Successors. Subject to Paragraph 4.2 above, this Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and assigns.

4.12 Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the matters provided for herein and, except as herein provided, supersedes all prior and/or contemporaneous agreements and understandings, whether written or oral, between the Parties relating to the matters provided for herein.


4.13 Amendments. This Agreement may be amended only by a writing duly executed by authorized representatives of both of the Parties hereto.

4.14 Counterparts. This Agreement may be execute in any number of counterparts and by the Parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Agreement.

4.15 Term. This Agreement shall remain in full force and effect until such time as both OCWD and LBCWD mutually agree to terminate this Agreement.

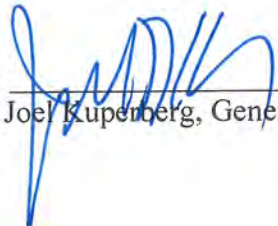
IN WITNESS THEREOF, the Parties have caused this Agreement to be executed as of the date first set forth above.

ORANGE COUNTY WATER DISTRICT

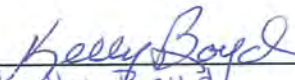
By: 
Name: Cathy Green
Title: President

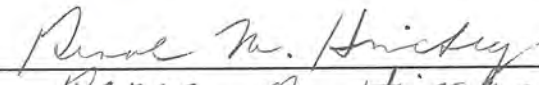
By: 
Name: Michael R. Morris
Title: General Manager

APPROVED AS TO FORM:

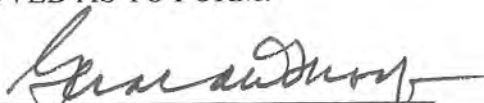
By: 
Joel Kuperberg, General Counsel

LAGUNA BEACH COUNTY WATER DISTRICT

By: 
Name: Kelly Boyd
Title: President

By: 
Name: Renee M. Hickey
Title: Secretary

APPROVED AS TO FORM:

By: 
Name: GERALD D. SHORE
Title: General Counsel

Orange County Basin Groundwater Management Plan

For a copy of the Orange County Water District Groundwater Management Plan 2015 Update, please click on the link. Once in OCWD's website, scroll down to the Groundwater Management Plan 2015 link and click on it.

<http://www.ocwd.com/what-we-do/groundwater-management/groundwater-management-plan/>

Appendix G

Water Shortage Ordinances

ORDINANCE NO. 100

AN ORDINANCE OF THE BOARD OF DIRECTORS OF LAGUNA BEACH COUNTY WATER DISTRICT ESTABLISHING A WATER USE EFFICIENCY & WATER SUPPLY SHORTAGE PROGRAM FOR USERS OF POTABLE WATER PROVIDED BY THE DISTRICT

Be it ordained by the Board of Directors of the Laguna Beach County Water District as follows:

Section I. Title

Laguna Beach County Water District Water Use Efficiency & Water Supply Shortage Ordinance (“Ordinance”)

Section II. Findings

1. A reliable minimum supply of potable water is essential to the public health, safety and welfare of the people and economy of Southern California.
2. Southern California is a semi-arid region, largely dependent on imported water supplies from Northern California and the Colorado River. Population growth, drought, climate change, environmental concerns, government policy changes, restrictions on pumping and other factors in our region, in other parts of the State and in the western U.S. make Southern California highly-susceptible to water supply reliability issues.
3. Careful water management requires active water use efficiency measures not only in times of drought but at all times. It is essential to ensure a reliable minimum supply of water to meet current and future water supply needs.
4. California Constitution Article X, Section 2 declares for the general welfare:
 - a. Water resources be put to beneficial use
 - b. Prevention of water waste and unreasonable water use or methods of water use
 - c. Full exercise of water use efficiency with a view to reasonable and beneficial water use
5. California Water Code Section 375 authorizes water suppliers to adopt and enforce a comprehensive water conservation program to reduce potable water consumption and conserve supplies.
6. California Water Code Section 31027 sets forth the public notification, public meeting and public hearing requirements for water providers proposing the establishment of a water conservation program, ordinance or resolution.

7. California Water Code Sections 350, et. seq., sets forth the determination and notification procedures for water suppliers seeking to declare a water shortage or a water emergency.
8. California Water Code Section 356 allows for the adoption of regulations and restrictions that include discontinuance of service as an enforcement option where a water shortage emergency condition has been declared.
9. California Water Code Section 377 authorizes water suppliers to enforce a comprehensive water conservation program to reduce potable water consumption through establishment of non-compliance charges and other penalties, subject to advance notification to water users.
10. California Water Code Section 370, et. seq., authorizes water suppliers to adopt water allocation programs for water users and allocation-based water conservation pricing.
11. The adoption and enforcement of a Water Use Efficiency & Water Supply Shortage Ordinance is necessary to manage the District's potable water supply short- and long-term and to minimize and/or avoid the effects of drought and water shortage within the District. Such a program is essential to ensure a reliable and sustainable minimum supply of water for public health, safety and welfare.

Section III. Declaration of Purpose and Intent

1. To minimize or avoid the effect and hardship of potential shortages of potable water to the greatest extent possible, this Ordinance establishes a Water Use Efficiency & Water Supply Shortage Program designed to:
 - a. Reduce potable water consumption (demand) through efficiency
 - b. Enable effective potable water supply planning
 - c. Assure reasonable and beneficial use of potable water
 - d. Prevent waste of potable water and maximize efficient use in the District
2. The Ordinance establishes:
 - a. Permanent mandatory water use standards designed to alter behaviors related to potable water-use efficiency during non-shortage conditions.
 - b. Voluntary water use efficiency guidelines, which the District may choose to implement prior to moving into mandatory restrictions when a 5 to 15 percent reduction in consumption is needed from District customers.
 - c. Three mandatory levels of potential response to escalating water supply shortages, which the District may choose to implement during times of water shortage or declared water emergency. The three levels of response consist of increasing water use restrictions as a result of worsening drought conditions, emergencies, and/or decreasing supplies.
 - d. A water use efficiency and supply shortage program that reduces water consumption within the District through efficiency, enables effective water supply planning, assures reasonable and beneficial use of water, and prevents waste of water.

- e. Guidelines for the efficient use of water within the District to avoid and minimize the effect and hardship of water shortage to the greatest extent possible.

Section IV. Definitions

1. General

- a. “The District” means Laguna Beach County Water District.
- b. “The Board” means the Laguna Beach County Water District Board of Directors.
- c. “The Commission” means the Laguna Beach County Water District Commission
- d. “Person” means any person or persons, corporation, public or private entity, governmental agency or institution, or any other user of water provided by the District.
- e. “Potable Water” means water that is suitable for drinking.
- f. “Recycled Water” means the reclamation and reuse of non-potable water and/or wastewater for beneficial use, such as irrigation. Also known as “Reclaimed Water.”
- g. “Water Waste” refers to uses of water that are limited or prohibited under the Ordinance because they exceed necessary or intended use and could reasonably be prevented, such as runoff from outdoor watering.
- h. “Base Water Supply” means the District’s average annual water purchases from its wholesaler over a given period, e.g. 2004-2006.
- i. “Billing Unit” is equal to 100 cubic feet (1 CCF) of water, which is 748 gallons. Water use is measured in units of 100-cubic-feet and multiplied by applicable water usage rates for billing. Also known as a “unit of water.”
- j. “Undue Hardship” is a unique circumstance in which a requirement of the Ordinance would result in a disproportionate impact on a water user or property upon which water is used compared to the impact on water users generally or similar properties or classes of water use.

2. Irrigation

- a. “Automatic Shut-Off Hose Nozzle” refers to a water-efficient nozzle for use with residential or commercial hoses that must be pressed to start or stop the flow of water.
- b. “Irrigation Controller” is the part of an automated irrigation system that instructs the valves to open and close to start or stop the flow of water.
 - 1. “Sensor-based irrigation controller” operates based on input from a combination of sensors (rain, solar, soil moisture) installed in or around the landscaped area.
 - 2. “Weather-based irrigation controller” operates automatically based on evapo-transpiration rates (ET) and historic or real-time weather data.
- c. “Irrigation System” refers to a manual or automated watering system consisting of pipes, hoses, spray heads and/or sprinkler devices or valves. Also known as a “Landscape Irrigation System.”

- d. “Large Landscape Areas” means a lawn, landscape, or other vegetated area, or combination thereof, equal to more than one (1) acre of irrigable land.
 - e. “Valves” refer to the part of an irrigation system that open and close manually or electronically to start or stop the flow of water.
3. Other
- a. “Pre-Rinse Kitchen Spray Valves” refer to highly water-efficient sprayers that commercial kitchens use to rinse dishes in the sink before washing and for other preliminary cleaning purposes.
 - b. “Single-Pass Cooling System” refers to an air conditioning, refrigeration or other cooling system that removes heat by transferring it to a supply of clean water and dumping the water down the drain – after a single use. This type of cooling system is extremely water-inefficient compared to systems that re-circulate the water.

Section V. Application of Ordinance

1. Ordinance provisions apply to any person or entity using potable water provided by the District. This includes individuals, persons, corporations, public or private entities, governmental agencies or institutions, or any other users of water provided by the District.
2. The provisions of the Ordinance shall not apply to the following:
 - f. Water use necessary to protect public health and safety or for essential government services, such as police, fire, and similar services.
 - b. Water used by commercial nurseries and growers to sustain plants, trees, shrubs, crops or other vegetation intended for commercial sale.
3. This Ordinance is intended solely to further the efficient use of potable water. It is not intended to implement any provision of federal, state or local statutes, ordinances or regulations relating to protection of water quality or control of drainage or runoff. Refer to the local jurisdiction or Regional Water Quality Control Board for information on storm water ordinances or management plans.

Section VI: Permanent Mandatory Water Use Efficiency Measures

The following Permanent Mandatory Water Use Efficiency Measures for potable water are in effect at all times, whether or not there is a water supply shortage or emergency.

1. General Restrictions
 - a. Limits on Watering Hours. Watering or irrigating is prohibited any day of the week between 8:00 a.m. and 8:00 p.m. This applies to lawns, landscaping, and all other vegetated areas.

1. The following are exempt from this restriction:

- a. Watering with a hand-held bucket or similar container
 - b. Watering with a hand-held hose equipped with an automatic shut-off hose nozzle
 - c. Adjusting or repairing an irrigation system for very short periods of time.
- b. Water Flow or Runoff. It is prohibited to water lawns, landscaping, and vegetated areas in a manner that causes or allows water flow or runoff onto an adjoining sidewalk, driveway, street, alley, gutter or ditch.
- c. Obligation to Fix Leaks, Breaks or Malfunctions in lines, fixtures or facilities. Loss or escape of water through breaks, leaks or malfunctions in the water user's plumbing, distribution or irrigation system is prohibited for any period of time after such water waste should have reasonably been discovered and corrected. Leaks, breaks, or malfunctions must be corrected in no more than three (3) days of District notification. The District, at its sole discretion, may temporarily shut-off service if unable to contact the account holder on record.
- d. Hosing or Washing Down Hard or Paved Surfaces. It is prohibited to use water to hose or wash down hard or paved surfaces, such as sidewalks, walkways, driveways, parking areas, tennis courts, patios or alleys.

1. The following are exempt from this restriction:

- a. Hosing or washing down with a hand-held bucket or similar container
 - b. Hosing or washing down with a hand-held hose equipped with an automatic shut-off hose nozzle
 - c. Hosing or washing down with a low-volume high-pressure cleaning machine equipped to recycle used water
- e. Hosing or Washing Down Vehicles. It is prohibited to use water to hose or wash down a motorized or non-motorized vehicle, including but not limited to automobiles, trucks, vans, buses, motorcycles, boats or trailers.

2. The following are exempt from this restriction:

- a. Hosing or washing down vehicles with a hand-held bucket or similar container
 - b. Hosing or washing down vehicles with a hand-held hose equipped with an automatic shut-off hose nozzle
 - c. Commercial car washing facility that recycles water
 - d. Mobile car washing services equipped to recycle used water
- f. Re-Circulating Decorative Water Fountains and Features. All new decorative water fountains and water features must re-circulate water -- or users must secure a waiver from the District.

- g. Unauthorized Use of Fire Hydrants Prohibited. No person may use water from any fire hydrant for any purpose other than fire suppression or emergency aid without first:
 - 1. Requesting and posting the appropriate fees at the District.
 - 2. Obtaining a hydrant meter to record all water consumption for a specified project. Absent a meter, water theft and meter tampering fees will be applied as appropriate.

2. Commercial Kitchen Requirements

- a. Water-Efficient Pre-Rinse Kitchen Spray Valves. All new food preparation establishments, such as restaurants, cafes, and hotels, are prohibited from using non-water efficient kitchen spray valves.
- b. Best-Available Water-Conserving Technology. All water-using equipment in new commercial kitchens must use the best-available, water-conserving technology.
- c. Automatic Shut-Off Hose Nozzles. When hosing or washing kitchen or garbage areas or other areas for sanitary reasons as required by the Health Department, hoses shall be equipped with automatic shut-off hose nozzles.

3. Commercial Water Recirculation Requirements

- a. Water Served Only Upon Request. Eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, clubs or other public places where food or drinks are sold, served or offered for sale are prohibited from providing drinking water to any person unless expressly requested.
- b. Option Not To Have Towels/Linens Laundered. Hotels, motels and other commercial lodging establishments must provide guests the option of not having their used towels and linens laundered. Lodging establishments must prominently display notice of this option in each room and/or bathroom, using clear and easily understood language.
- c. No Installation of Non-re-circulating Water Systems in Car Wash and Laundry Systems. Installation of non-re-circulating water systems is prohibited in new commercial conveyor car wash and new laundry systems.
- d. No Installation of Single-Pass Cooling Systems. Installation of single-pass cooling systems is prohibited in buildings requesting new water service.

4. Construction Site Requirements

- a. Recycled or non-potable water must be used, when available.
- b. No potable water may be used for soil compaction or dust control where there is a reasonably available source of recycled or non-potable water approved by the Department of Public Health and appropriate for such use.
- c. Water hoses shall be equipped with automatic shut-off nozzles, given such devices are available for the size and type of hoses in use.

5. Wasteful Water Use. Upon notice by the District, persons shall cease to cause or permit the indiscriminate use of water not otherwise prohibited above which is wasteful and without reasonable purpose.

Section VII: Water Supply Shortage Watch (Water Watch)

5 – 15 percent shortage in imported water supplied to the District and/or up to 15 percent reduction needed in consumer demand

The District will declare a Water Supply Shortage Watch when it determines that a reduction in consumer demand is necessary in order to make more efficient use of limited water supplies and appropriately respond to existing water conditions.

The type of event that may prompt the District to declare a Level 1 Water Supply Shortage Watch could include, among other factors, a finding that its wholesale water provider has allocated no more than 85 percent of the District's base water supply.

In addition to:

1. Permanent Water Use Efficiency Measures identified in Section VI remaining in effect,

The District may also implement any or all of the following actions to reduce consumer demand.

2. Public Outreach. The District may expand water use efficiency programs and notify District customers of need to conserve.
3. Extraordinary Voluntary Water Use Efficiency Measures. The District may implement extraordinary voluntary water use efficiency measures upon declaring a Water Watch.
4. Water Allocations/Water Budget: The District may establish or adjust a water allocation for property served by the District using a method that does not penalize persons for the implementation of conservation methods or the installation of water saving devices. The District must provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for on-going water service.

Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation will be subject to a penalty, in an amount to be determined by the District, for each billing unit of water in excess of the allocation. The penalty for excess water usage will be cumulative to any other remedy or penalty that may be imposed for violation of this ordinance.

5. Water Supply Shortage Rates: The District may increase water rates, other than Tier 1, by an amount necessary, as determined by the District. The increase in water rates may vary from categories of customers.
6. Other Prohibited Uses. The District may implement other prohibited water uses as deemed necessary, after notice to customers.

Section VIII: Level 1 - Water Supply Shortage Alert (Water Alert)

15 – 30 percent shortage in imported water supplied to the District and/or up to 30 percent reduction needed in consumer demand

A Level 1 Water Supply Shortage Alert exists when the District determines that an additional reduction in consumer demand is necessary to make more efficient use of limited water supplies and appropriately respond to water conditions.

The type of event that may prompt the District to declare a Level 1 Water Supply Shortage includes, among other factors, a finding that its wholesale water provider allocated no more than 70 percent of the District’s base water supply.

In addition to:

1. Permanent Water Use Efficiency Measures identified in Section VI remaining in effect; and,
2. Voluntary Water Use Efficiency Measures identified in Section VII remaining in effect.
3. Water Allocations/Water Budgets implemented in Section VII remaining in effect.
4. Water Supply Shortage Rates implemented in Section VII remaining in effect.

The District may also implement any or all of the following actions to reduce consumer demand:

5. Additional Mandatory Water Use Efficiency Measures: The District may implement the following additional mandatory water use efficiency measures, which would apply for the duration of the Level 1 Water Supply Shortage Alert:
 - a. Limits on Watering Days. Watering lawns, landscaping and other vegetated areas is limited to no more than three (3) days per week. The District will establish and post a watering schedule.
 - b. Timeframe to Fix Leaks, Breaks or Malfunctions in water users’ pipelines, fixtures or facilities. Loss or escape of water through breaks, leaks or other malfunctions in the water user’s plumbing, distribution or irrigation system must be fixed in no more than forty-eight (48) hours following notification from the District – unless other arrangements are made with the District or the system is shut off while waiting for repairs. The District, at its sole discretion, may temporarily shut-off service if unable to contact the account holder on record.
 - c. Other Prohibited Uses: The District may implement other prohibited water uses as deemed necessary, following notification of customers.

Section IX. Level 2 - Water Supply Shortage Warning (Water Warning)

30 – 50 percent shortage in imported water supplied to the District and/or up to 50 percent reduction needed in consumer demand

A Level 2 Water Supply Shortage Warning exists when the District determines that a further additional reduction in consumer demand is necessary in order to make more efficient use of limited water supplies and appropriately respond to existing water conditions.

The type of event that may prompt the District to declare a Level 2 Water Supply Shortage Warning could include, among other factors, a finding that its wholesale water provider allocated less than 50 percent of the District's base water supply.

In addition to:

6. Permanent Water Use Efficiency Measures identified in Section VI remaining in effect; and,
7. Voluntary Water Use Efficiency Measures identified in Section VII remaining in effect; and,
8. Level 1 Water Use Efficiency Measures identified in Section VIII remaining in effect.
9. Water Allocations/Water Budgets identified in Section VII remaining in effect.
10. Water Supply Shortage Rates identified in Section VII remaining in effect.

The District may also implement any or all of the following actions to reduce consumer demand:

11. Additional Mandatory Water Use Efficiency Measures: The District may implement the following additional mandatory water use efficiency measures, which would apply for the duration of the Level 2 Water Supply Shortage Warning:
 - a. Limits on Watering Days. Watering lawns, landscaping and other vegetated areas is limited to no more than two (2) days per week. The District will establish and post a watering schedule.
 1. The following are exempt from this restriction (subject to hour restrictions, Section VII.1.a, b):
 - a. Watering with a hand-held bucket or similar container
 - b. Watering with a hand-held hose equipped with a automatic shut-off hose nozzle
 - c. Irrigation systems that exclusively use very-low-flow drip type systems where emitters discharge no more than two (2) gallons of water per hour
 - d. Adjusting or repairing an irrigation system for very short periods of time
 - e. Public works projects and actively-irrigated environmental mitigation projects
 - f. Maintenance of existing landscaping necessary for fire protection and/or soil erosion control

- g. Maintenance of plant materials identified as rare or essential to the well being of endangered/rare species
 - b. Filling or Refilling Ornamental Fountains and Ponds. Filling or refilling ornamental lakes and ponds is prohibited.
 - 1. The following are exempt from this restriction
 - a. Ornamental fountains and ponds that sustain aquatic life -- provided such life is of significant value and were actively managed in the water feature prior to declaring the shortage.
 - c. Filling or Refilling Residential Pools or Spas. Filling residential swimming pools or outdoor spas is prohibited; refilling more than one (1) foot of water is prohibited.
 - 1. The following are exempt from this restriction:
 - a. Individuals who, due to health reasons or medical conditions, find it necessary to fill or refill their pools or spas.
 - d. Hosing or Washing Down Vehicles. It is prohibited to use water to hose or wash down a motorized or non-motorized vehicle, including but not limited to automobiles, trucks, vans, buses, motorcycles, boats or trailers.
 - 1. The following are exempt from this restriction:
 - a. Commercial car washing facility equipped to recycle water
 - b. Mobile car washing services equipped to recycle used water
 - e. New Potable Water Service. The District will not provide new potable water service, new water meters (temporary or permanent) or will-serve letters for the duration of the shortage.
 - 1. The following are exempt from this restriction:
 - a. Projects necessary to protect public health, safety and welfare
 - b. Projects that have a valid, unexpired city building permit
 - c. Projects in which applicants can provide – to the satisfaction of the District – substantial evidence of an enforceable commitment that water demands will be offset prior to the provision of a new water meter(s)
 - d. Resetting or turning-on meters to restore or continue water service interrupted for one year or less.
12. Other Prohibited Uses: The District may implement other prohibited water uses as deemed necessary, following notification of customers.

Section X. Level 3 - Water Supply Shortage Emergency (Water Emergency)

30 – 50 percent shortage in imported water supplied to the District and/or more than 50 percent reduction needed in consumer demand

A Level 3 Water Supply Shortage exists when the District determines that a further additional reduction in consumer demand is necessary in order to make more efficient use of limited water supplies and appropriately respond to existing water conditions.

The type of event that may prompt the District to declare a Level 3 Water Supply Shortage Emergency could include, among other factors, a finding that its wholesale water provider allocated less than 50 percent of the District's base water supply.

In addition to:

1. Permanent Water Use Efficiency Measures identified in Section VI remaining in effect; and,
2. Voluntary Water Use Efficiency Measures identified in Section VII remaining in effect; and,
3. Level 1 Water Use Efficiency Measures identified in Section VIII remaining in effect; and,
4. Level 2 Water Use Efficiency Measures identified in Section IX remaining in effect.
5. Water Allocations/Water Budgets identified in Section VII remaining in effect.
6. Water Supply Shortage Rates identified in Section VII remaining in effect.

The District may also implement any or all of the following actions to reduce consumer demand:

7. Water Use Efficiency Measures. The District may implement the following additional mandatory water use efficiency measures, which would apply for the duration of the Level 3 Water Supply Shortage Emergency:
 - a. All Watering Prohibited. Watering is prohibited on any day at any time for lawns, landscaping and all vegetated areas. The District will post the no-watering restriction.
 1. The following are exempt from this restriction (subject to hour restrictions in Section VII.1.a, b):
 - a. Watering with a hand-held bucket or similar container
 - b. Maintenance of existing landscaping necessary for fire protection and/or soil erosion control
 - c. Maintenance of plant materials identified as rare or essential to the well being of endangered/rare species

8. Discontinuance of Service: Pursuant to Water Code Section 356, the District may discontinue service to customers who willfully violate provisions of this section.
9. Other Prohibited Uses: The District may implement other prohibited water uses as deemed necessary, following notification of customers

Section XI. Declaration & Notification of Water Shortages/Emergencies

1. Declaration of a Water Watch, Level 1 Water Alert or Level 2 Water Warning: The District may declare a Water Watch, Level 1 Water Alert or Level 2 Water Warning at a regular or special public meeting in accordance with State law.
2. Declaration of Level 3 Water Emergency: The District may declare a Level 3 Water Emergency in accordance with Water Code Sections 350, 351, and 352.
3. Notification of a Level 3 Water Emergency
 - a. Except as otherwise provided by State law, the District must publish a copy of the water emergency resolution in a newspaper used for the publication of official notices within the jurisdiction of the District within ten (10) business days of the date that the emergency is declared.
 - b. Except as otherwise provided by State law, additional mandatory water use efficiency requirements will take effect on the tenth (10) business day after the date that the emergency is declared.
4. Adjustment to Budget-based Water Allocation Program or Change in Tiered Rates
 - a. The District may adjust budget-based water allocations and/or increase water usage rates, other than Tier 1 rates, for any or all classes of water users in accordance with the procedures specified in Water Code Section 374.
 1. The District will provide notice of the change to customers and the date the change will take effect.

Section XII. Hardship Waiver

1. Undue and Disproportionate Hardship: If, due to unique circumstances, a specific requirement of this Ordinance would result in undue hardship to a person using water or to property upon which water is used, that is disproportionate to the impacts to water users generally or to similar property or classes of water users, then the person may apply for a waiver to the requirements as provided in this section.
2. Written Finding: The waiver may be granted or conditionally granted only upon a written finding of the existence of facts demonstrating an undue hardship.

- a. Application for a Waiver: Application for a waiver must be on a form prescribed by the District and accompanied by a non-refundable processing fee in an amount set by the District.
- b. Supporting Documentation: photographs, maps, drawings, and other information, including a written statement of the applicant, must accompany the application.
- c. Required Findings for Waiver: Based on the information and supporting documents provided in the application, additional information provided as requested, and water use information for the property as shown by the records of the District, the District's General Manager, in making the waiver determination, will take into consideration the following:
 1. That the waiver does not constitute a grant of special privilege inconsistent with the limitations upon other residents and businesses;
 2. That because of special circumstances applicable to the property or its use, the strict application of this Ordinance would have a disproportionate impact on the property or use that exceeds the impacts to residents and businesses generally;
 3. That the authorizing of such waiver will not be of substantial detriment to adjacent properties, and will not materially affect the ability of the District to effectuate the purpose of this Ordinance and will not be detrimental to the public interest;
 4. That the condition or situation of the subject property or the intended use of the property for which the waiver is sought is not common, recurrent or general in nature; and
 5. That no person shall be given relief on appeal for hardship unless the customer has installed water saving devices, as determined by the District, and made every reasonable effort to reduce water use.
- d. Approval Authority
 1. The District's General Manager or his designee(s) must act upon any completed Application for a Waiver no later than ten (10) business days after receipt by the District. The General Manager or his designee(s) may approve, conditionally approve, or deny the waiver.
 2. The applicant requesting the waiver must be promptly notified in writing of any action taken. Unless specified otherwise, at the time a waiver is approved, it will apply to the subject property for the duration of the water supply shortage or emergency.
- e. Appeals
 1. A customer may appeal the denial of a waiver to the District's Commission by written request for a hearing within ten (10) business days after notification to deny the waiver. The request shall state the grounds for appeal.

2. At a public meeting, the Commission shall review the appeal and, at its sole discretion, may affirm, reverse or modify the waiver denial. The decision of the Commission is final.

Section XIII: Penalties and Violations

1. Misdemeanor: Pursuant to Water Code Section 377 and 31029, any violation of this chapter may be prosecuted as a misdemeanor punishable by imprisonment in the county jail for not more than thirty (30) days, or by a fine not exceeding six hundred dollars (\$600), or by both.
2. Civil Penalties: Civil penalties for failure to comply with any provisions of the Ordinance are as follows:
 - a. First Instance of Non-Compliance: The District will issue a written warning and deliver a copy of the Ordinance by mail or door hanger.
 - b. Second Instance of Non-Compliance: A second violation within the preceding twelve (12) calendar months is punishable by a fine not to exceed one hundred dollars (\$100).
 - c. Third Instance of Non-Compliance: A third instance of non-compliance with the Ordinance within the preceding twelve (12) calendar months is punishable by a fine not to exceed two hundred and fifty dollars (\$250)
 - d. Fourth and Subsequent Instances of Non-Compliance: A fourth or any subsequent instance of non-compliance with this Ordinance is punishable by a fine not to exceed five hundred dollars (\$500).
 1. Water Flow Restrictor Device. In addition to any fines, the District may install a water flow restrictor device of approximately one gallon per minute capacity for meter services up to one and one-half inch size and comparatively sized restrictors for larger services. If the District installs a water flow restrictor, installation would follow written notice of intent to the customer and would be in place for a minimum of forty-eight (48) hours.
 2. Termination of Service: In addition to any fines and the installation of a water flow restrictor, the District may disconnect and/or terminate a customer's water service, pursuant to Water Code Section 356.
3. Costs for Water Flow Restrictors and Service Disconnection: A person or entity in non-compliance with this Ordinance is responsible for payment of the District's charges for installing and/or removing any flow-restricting device and for disconnecting and/or reconnecting service per the District's schedule of charges then in effect. The charge for installing and/or removing any flow restricting device must be paid to the District before the device is removed. Nonpayment will be subject to the same remedies as nonpayment of basic water rate.
4. Separate Offenses: Each day that a person or entity is non-compliant with the Ordinance is a separate offense.

5. Notice and Hearing.

- a. The District will issue a Notice of Violation by mail or personal delivery at least ten (10) days before taking enforcement action. Such notice must describe the violation and the date by which corrective action must be taken. A customer may appeal the Notice of Violation by filing a written notice of appeal with the District no later than the close of business on the day before the date scheduled for enforcement action. Any Notice of Violation not timely appealed will be final. Upon receipt of a timely appeal, a hearing on the appeal will be scheduled, and the District will mail written notice of the hearing date to the customer at least ten (10) days before the date of the hearing.
- b. Pending receipt of a written appeal or pending a hearing pursuant to an appeal, the District may take appropriate steps to prevent the unauthorized use of water as appropriate to the nature and extent of the violations and the current declared water Level condition.

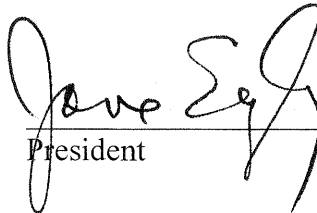
Section XIV: Severability

If any section, subsection, sentence, clause or phrase in this Ordinance is for any reason held invalid, the validity of the remainder of the Ordinance will not be affected. The District's Board of Directors hereby declares it would have passed this Ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases thereof is declared invalid.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of Laguna Beach County Water District, does hereby resolve and order as follows:

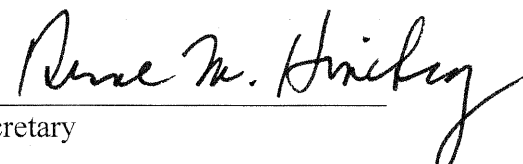
1. That Ordinance 100: Water Use Efficiency & Water Supply Shortage for Laguna Beach County Water District as submitted be and hereby is approved.

ADOPTED, SIGNED, AND APPROVED this 16th day of June, 2009.



President

ATTEST:



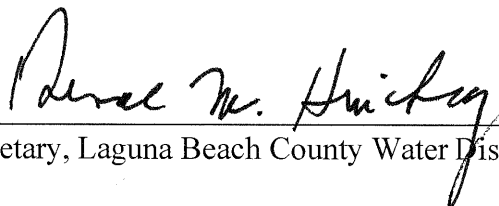
Secretary

CERTIFICATION

I, Renae M. Hinchey, Secretary of the Laguna Beach County Water District, of Orange County, California, do hereby certify that the foregoing Ordinance No. 100 was duly adopted at a regular meeting of the Board of Directors of said District, held on the 16th day of June, 2009, by the following vote of Members of the Board:

AYES: Directors: - Egly, Boyd, Iseman, Pearson, Rollinger
NOES: Directors: - None
ABSENT: Directors: - None

And I further certify that Jane Egly as President, and Renae M. Hinchey, as Secretary, signed and approved said Ordinance on the 16th day of June, 2009.

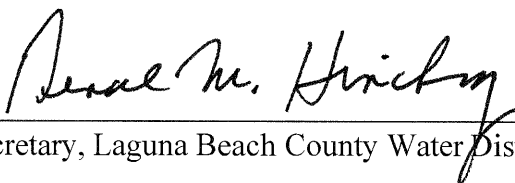

Secretary, Laguna Beach County Water District

(District Seal)

STATE of CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Renae M. Hinchey, Secretary of the Laguna Beach County Water District of Orange County, California, do hereby certify that the foregoing is a full, true and clear copy of Ordinance No. 100 passed and adopted by the Board of Directors of said District at a regular meeting hereof held on June 16, 2009. In witness whereof, I have hereunto set by hand and affixed the official seal of said district this 16th day of June, 2009.

(District Seal)


Secretary, Laguna Beach County Water District

RESOLUTION NO. 797

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAGUNA BEACH COUNTY WATER DISTRICT OF ORANGE COUNTY, CALIFORNIA CALLING FOR ACTIVATION OF THE DISTRICT'S "LEVEL 1 - WATER SUPPLY SHORTAGE ALERT (WATER ALERT)" PURSUANT TO DISTRICT ORDINANCE 100

WHEREAS, Article 10, Section 2 of the California Constitution declares that waters of the State of California are to be put to beneficial use, and that waste, unreasonable use, or unreasonable method of use of water be prevented, and that water be conserved for the public welfare; and

WHEREAS, the State of California is experiencing record dry year conditions, with 2014 projected to become the driest year on record; and

WHEREAS, now in its third consecutive year of a drought, annual precipitation levels in the State of California are inadequate to fill key reservoirs throughout the State; and

WHEREAS, the Colorado River Basin drought has stretched into a 14th year of drought, continuing to negatively impact storage levels; and

WHEREAS, the Laguna Beach County Water District depends on imported water from Northern California and the Colorado River; and

WHEREAS, conservation of current water supplies and minimization of the effects of water supply shortages that are the result of drought are essential to the public health, safety, and welfare; and

WHEREAS, on January 17, 2014, the Governor declared a State of Emergency in California due to the current drought conditions and called for statewide voluntary twenty percent (20%) conservation of water and requested that local agencies implement water shortage contingency plans; and

WHEREAS, on March 27, 2014, the Laguna Beach County Water District adopted Resolution 791 encouraging residents and businesses to take the necessary actions to reduce their water usage through enhanced water use efficiency measures in an effort to extend stored water supplies and prepare for a prolonged drought; and

WHEREAS, on April 25, 2014, the Governor issued an Executive Order to Redouble State Drought Actions, and called on all Californians to redouble their efforts to conserve water, and directed the State Water Resources Control Board to adopt emergency regulations pursuant to Water Code section 1058.5 to ensure that urban water suppliers implement drought response plans to limit outdoor irrigation and other wasteful water practices; and

WHEREAS, on July 2, 2014, the State Water Resources Control Board adopted Resolution 2014-0031, adopting regulations requiring mandatory actions (“Emergency Drought Regulations,” now codified as Title 23, Regulations 863, 864, and 865), with key parts of the Emergency Drought Regulations being:

Regulation 864 applies to all water users by prohibiting:

- 1) The application of potable water to any driveway or sidewalk;
- 2) Use of potable water to water outdoor landscapes in a manner that causes runoff to adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots or structures;
- 3) Use of a hose that dispenses potable water to wash a motor vehicle, unless the hose is fitted with a shut-off nozzle; and
- 4) Use of potable water in a fountain or decorative water feature, unless the water is recirculated. Recycled water is not mandated, but encouraged for fountain use.

Regulation 865 requires in pertinent part that urban water suppliers, which means those that have more than 3,000 water connections or that supply more than 3,000 acre-feet of water annually such as the Laguna Beach County Water District, do either of the following:

- 1) Implement all requirements and actions of the stage of its water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water their water shortage contingency plans at a level that triggers mandatory restrictions on outdoor water use; or
- 2) Submit a request to the Executive Director of the State Water Resources Control Board for approval of an alternate plan that includes allocation-based rate structures, with the Executive Director having discretion to approve such an alternate plan upon determining that the rate structure, in conjunction with other measures, achieves a level of conservation that would be superior to that achieved by implementing limitations on outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.

WHEREAS, on July 28, 2014, the State of California through the Office of Administrative Law approved the Emergency Drought Regulations pursuant to sections 11346.1 and 11349.6 of the California Government Code, with these regulations effective on July 28, 2014 and set to expire on April 25, 2015; and

WHEREAS, the Laguna Beach County Water District adopted Ordinance No. 100 on June 16, 2009, Establishing a Water Use Efficiency & Water Supply Shortage Program for Users of Potable Water Provided by the District, otherwise known as being the Laguna Beach County Water District’s Water Shortage Contingency Plan; and

WHEREAS, despite the ongoing and commendable conservation efforts of the residents and businesses within the Laguna Beach County Water District, the Laguna Beach County Water District hereby determines that additional reduction in consumer demand is necessary pursuant to the Emergency Drought Regulations, thereby triggering the need for immediate action for implementing the appropriate stage of the Water Shortage Contingency Plan, with the Laguna Beach County Water District's intention being for it and the residents and businesses to be compliant with the Emergency Drought Regulations and to further help ensure a reliable and adequate water supply is available.

NOW, THEREFORE BE IT RESOLVED, that the Laguna Beach County Water District finds pursuant to the State's Emergency Drought Regulations that Ordinance 100, Section VIII, a Level 1 - Water Supply Shortage Alert (Water Alert)("Level 1 Water Alert") exists and immediate implementation of the Level 1 Water Alert is needed, which provides for the following measures in addition to existing conservation efforts and measures as set forth in the Water Shortage Contingency Plan:

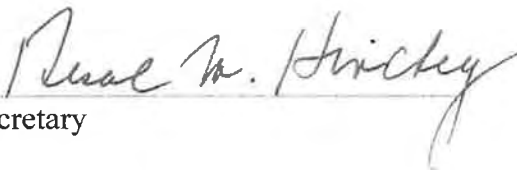
- 1) Limits on Watering Days. Watering lawns, landscaping and other vegetated areas is limited to no more than three (3) days per week.
- 2) Timeframe to Fix Leaks, Breaks or Malfunctions in water users' pipelines, fixtures, or facilities. Loss or escape of water through breaks, leaks or other malfunctions in the water users' plumbing, distribution or irrigation system must be fixed in no more than forty-eight (48) hours following notification from the District - unless other arrangements are made with the District or the system is shut off while waiting for repairs. The District, at its sole discretion, may temporarily shut-off service if unable to contact the account holder on record.

ADOPTED, SIGNED, AND APPROVED this 7th day of August, 2014.



President

ATTEST:



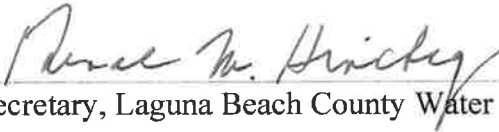
Secretary

CERTIFICATION

I, Renae M. Hinchey, Secretary of the Laguna Beach County Water District, of Orange County, California, do hereby certify that the foregoing Resolution No. 797 was duly adopted at a regular meeting of the Board of Directors of said District, held on the 7th day of August, 2014, by the following vote of Members of the Board:

AYES:	Directors: - Boyd, Whalen, Pearson
NOES:	Directors: - None
ABSENT:	Directors: - Dicterow, Iseman

And I further certify that Kelly H. Boyd as President, and Renae M. Hinchey, as Secretary, signed and approved said Resolution on the 7th day of August, 2014.


Secretary, Laguna Beach County Water District

(District Seal)

STATE of CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Renae M. Hinchey, Secretary of the Laguna Beach County Water District of Orange County, California, do hereby certify that the foregoing is a full, true and clear copy of Resolution No. 797 passed and adopted by the Board of Directors of said District at a regular meeting hereof held on August 7, 2014. In witness whereof, I have hereunto set by hand and affixed the official seal of said district this 7th day of August, 2014.


Secretary, Laguna Beach County Water District

(District Seal)

Appendix H

Public Participation and Plan Adoption

LAGUNA BEACH COUNTY WATER DISTRICT

COMMISSIONERS:

DEBORAH K. NEEV, Chair
MARK B. LEWIS, Vice Chair
JANE EGLY
MARVIN C. JOHNSON
CHERYL KINSMAN

LEGAL COUNSEL:

GERALD D. SHOAF

GENERAL MANAGER:

RENAE M. HINCHEY

MANAGEMENT:

CHRISTOPHER J. REGAN, Assistant General Manager
DAVID YOUNGBLOOD, PE, Manager of Engineering & Operations
ROBERT L. WESTPHAL, Manager of Finance



INCORPORATED 1925

April 7, 2016

John Pietig, City Manager
City of Laguna Beach
505 Forest Avenue
Laguna Beach, CA 92651

RE: Laguna Beach County Water District 2015 Urban Water Management Plan Preparation

Dear John:

As required by the Urban Water Management Planning Act of the California Water Code, this letter serves as formal notification that the Laguna Beach County Water District is currently updating its Urban Water Management Plan (UWMP). The Act specifically requires urban water suppliers providing water to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually to update their UWMP every five years. UWMP's are prepared by California's urban water suppliers to support their long-term resource planning and ensure adequate water supplies are available to meet existing and future water demands.

A public hearing on the District's 2015 UWMP is tentatively scheduled for June 14, 2016. A draft plan will be available for your agency's review beginning April 20, 2016 on the District's website (LBCWD.com) and at our main office located at the District's headquarters, 306 Third Street, Laguna Beach. The deadline for adopting the UWMP is July 1, 2016. The District will provide a final copy of the UWMP within 30 days of final adoption by the District's Board of Directors. Please contact Christopher Regan, assistant general manager, at (949) 494-1041 or cregan@lbcwd.org if you have questions.

Sincerely,

Renae M. Hinchey
General Manager

LAGUNA BEACH COUNTY WATER DISTRICT

COMMISSIONERS:

DEBORAH K. NEEV, Chair
MARK B. LEWIS, Vice Chair
JANE EGLY

MARVIN C. JOHNSON
CHERYL KINSMAN

LEGAL COUNSEL:

GERALD D. SHOAF

GENERAL MANAGER:

RENAE M. HINCHEY

MANAGEMENT:

CHRISTOPHER J. REGAN, Assistant General Manager
DAVID YOUNGBLOOD, PE, Manager of Engineering & Operations
ROBERT L. WESTPHAL, Manager of Finance



INCORPORATED 1925

April 7, 2016

Frank Kim, County Executive Officer
Orange County Hall of Administration
333 W. Santa Ana Boulevard
Santa Ana, CA 92701

RE: Laguna Beach County Water District 2015 Urban Water Management Plan Preparation

Dear Mr. Kim:

As required by the Urban Water Management Planning Act of the California Water Code, this letter serves as formal notification that the Laguna Beach County Water District is currently updating its Urban Water Management Plan (UWMP). The Act specifically requires urban water suppliers providing water to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually to update their UWMP every five years. UWMP's are prepared by California's urban water suppliers to support their long-term resource planning and ensure adequate water supplies are available to meet existing and future water demands.

A public hearing on the District's 2015 UWMP is tentatively scheduled for June 14, 2016. A draft plan will be available for your agency's review beginning April 20, 2016 on the District's website (LBCWD.com) and at our main office located at the District's headquarters, 306 Third Street, Laguna Beach. The deadline for adopting the UWMP is July 1, 2016. The District will provide a final copy of the UWMP within 30 days of final adoption by the District's Board of Directors. Please contact Christopher Regan, assistant general manager, at (949) 494-1041 or cregan@lbcwd.org if you have questions.

Sincerely,

Renae M. Hinchey
General Manager

LAGUNA BEACH COUNTY WATER DISTRICT

COMMISSIONERS:

DEBORAH K. NEEV, Chair
MARK B. LEWIS, Vice Chair
JANE EGLY
MARVIN C. JOHNSON
CHERYL KINSMAN

LEGAL COUNSEL:

GERALD D. SHOAF

GENERAL MANAGER:

RENAE M. HINCHEY

MANAGEMENT:

CHRISTOPHER J. REGAN, Assistant General Manager
DAVID YOUNGBLOOD, PE, Manager of Engineering & Operations
ROBERT L. WESTPHAL, Manager of Finance



INCORPORATED 1925

April 7, 2016

Andrew Brunhart, General Manager
South Coast Water District
31592 West Street
Laguna Beach, CA 92651-6907

RE: Laguna Beach County Water District 2015 Urban Water Management Plan Preparation

Dear Andy:

As required by the Urban Water Management Planning Act of the California Water Code, this letter serves as formal notification that the Laguna Beach County Water District is currently updating its Urban Water Management Plan (UWMP). The Act specifically requires urban water suppliers providing water to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually to update their UWMP every five years. UWMP's are prepared by California's urban water suppliers to support their long-term resource planning and ensure adequate water supplies are available to meet existing and future water demands.

A public hearing on the District's 2015 UWMP is tentatively scheduled for June 14, 2016. A draft plan will be available for your agency's review beginning April 20, 2016 on the District's website (LBCWD.com) and at our main office located at the District's headquarters, 306 Third Street, Laguna Beach. The deadline for adopting the UWMP is July 1, 2016. The District will provide a final copy of the UWMP within 30 days of final adoption by the District's Board of Directors. Please contact Christopher Regan, assistant general manager, at (949) 494-1041 or cregan@lbcwd.org if you have questions.

Sincerely,

Renae M. Hinchey
General Manager

LAGUNA BEACH COUNTY WATER DISTRICT

COMMISSIONERS:

DEBORAH K. NEEV, Chair
MARK B. LEWIS, Vice Chair
JANE EGLY
MARVIN C. JOHNSON
CHERYL KINSMAN

LEGAL COUNSEL:

GERALD D. SHOAF

GENERAL MANAGER:

RENAE M. HINCHEY

MANAGEMENT:

CHRISTOPHER J. REGAN, Assistant General Manager
DAVID YOUNGBLOOD, PE, Manager of Engineering & Operations
ROBERT L. WESTPHAL, Manager of Finance



INCORPORATED 1925

April 7, 2016

Laura Henkels, Executive Director
Laguna Beach Chamber of Commerce
357 Glenneyre Street
Laguna Beach, CA 92561-2310

RE: Laguna Beach County Water District 2015 Urban Water Management Plan Preparation

Dear Laura:

As required by the Urban Water Management Planning Act of the California Water Code, this letter serves as formal notification that the Laguna Beach County Water District is currently updating its Urban Water Management Plan (UWMP). The Act specifically requires urban water suppliers providing water to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually to update their UWMP every five years. UWMP's are prepared by California's urban water suppliers to support their long-term resource planning and ensure adequate water supplies are available to meet existing and future water demands.

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Sincerely,

Renae M. Hinchey
General Manager

LAGUNA BEACH COUNTY WATER DISTRICT

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DAVID YOUNGBLOOD, PE, Manager of Engineering & Operations
ROBERT L. WESTPHAL, Manager of Finance



INCORPORATED 1925

April 7, 2016

Rob Hunter, General Manager
Municipal Water District of Orange County
P.O. Box 20895
Fountain Valley, CA 92728

RE: Laguna Beach County Water District 2015 Urban Water Management Plan Preparation

Dear Rob:

As required by the Urban Water Management Planning Act of the California Water Code, this letter serves as formal notification that the Laguna Beach County Water District is currently updating its Urban Water Management Plan (UWMP). The Act specifically requires urban water suppliers providing water to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually to update their UWMP every five years. UWMP's are prepared by California's urban water suppliers to support their long-term resource planning and ensure adequate water supplies are available to meet existing and future water demands.

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Sincerely,

Renae M. Hinchey
General Manager

LAGUNA BEACH COUNTY WATER DISTRICT

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LEGAL COUNSEL:

GERALD D. SHOAF

GENERAL MANAGER:

RENAE M. HINCHEY

MANAGEMENT:

CHRISTOPHER J. REGAN, Assistant General Manager
DAVID YOUNGBLOOD, PE, Manager of Engineering & Operations
ROBERT L. WESTPHAL, Manager of Finance



INCORPORATED 1925

April 7, 2016

Jeffrey Kightlinger, General Manager
Metropolitan Water District of Southern California
P.O. Box 54153
Los Angeles, CA 90054-0153

RE: Laguna Beach County Water District 2015 Urban Water Management Plan Preparation

Dear Mr. Kightlinger:

As required by the Urban Water Management Planning Act of the California Water Code, this letter serves as formal notification that the Laguna Beach County Water District is currently updating its Urban Water Management Plan (UWMP). The Act specifically requires urban water suppliers providing water to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually to update their UWMP every five years. UWMP's are prepared by California's urban water suppliers to support their long-term resource planning and ensure adequate water supplies are available to meet existing and future water demands.

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Sincerely,

Rena M. Hinchey
General Manager

LAGUNA BEACH COUNTY WATER DISTRICT

COMMISSIONERS:

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LEGAL COUNSEL:

GERALD D. SHOAF

GENERAL MANAGER:

RENAE M. HINCHEY

MANAGEMENT:

CHRISTOPHER J. REGAN, Assistant General Manager
DAVID YOUNGBLOOD, PE, Manager of Engineering & Operations
ROBERT L. WESTPHAL, Manager of Finance



INCORPORATED 1925

April 7, 2016

Mike Dunbar, General Manager
Emerald Bay Services District
600 Emerald Bay
Laguna Beach, California 92651

RE: Laguna Beach County Water District 2015 Urban Water Management Plan Preparation

Dear Mike:

As required by the Urban Water Management Planning Act of the California Water Code, this letter serves as formal notification that the Laguna Beach County Water District is currently updating its Urban Water Management Plan (UWMP). The Act specifically requires urban water suppliers providing water to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually to update their UWMP every five years. UWMP's are prepared by California's urban water suppliers to support their long-term resource planning and ensure adequate water supplies are available to meet existing and future water demands.

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Sincerely,

Renae M. Hinchey
General Manager

LAGUNA BEACH COUNTY WATER DISTRICT

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MARK B. LEWIS, Vice Chair
JANE EGLY
MARVIN C. JOHNSON
CHERYL KINSMAN

LEGAL COUNSEL:

GERALD D. SHOAF

GENERAL MANAGER:

RENAE M. HINCHEY

MANAGEMENT:

CHRISTOPHER J. REGAN, Assistant General Manager
DAVID YOUNGBLOOD, PE, Manager of Engineering & Operations
ROBERT L. WESTPHAL, Manager of Finance



INCORPORATED 1925

April 7, 2016

Michael Markus, General Manager
Orange County Water District
P.O. Box 8300
Fountain Valley, CA 92728-8300

RE: Laguna Beach County Water District 2015 Urban Water Management Plan Preparation

Dear Mike:

As required by the Urban Water Management Planning Act of the California Water Code, this letter serves as formal notification that the Laguna Beach County Water District is currently updating its Urban Water Management Plan (UWMP). The Act specifically requires urban water suppliers providing water to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually to update their UWMP every five years. UWMP's are prepared by California's urban water suppliers to support their long-term resource planning and ensure adequate water supplies are available to meet existing and future water demands.

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Sincerely,

Renae M. Hinchey
General Manager

LAGUNA BEACH COUNTY WATER DISTRICT

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DAVID YOUNGBLOOD, PE, Manager of Engineering & Operations
ROBERT L. WESTPHAL, Manager of Finance



INCORPORATED 1925

April 7, 2016

Bob Hill, General Manager
El Toro Water District
24251 Los Alisos Blvd.
Lake Forest, CA 92630

RE: Laguna Beach County Water District 2015 Urban Water Management Plan Preparation

Dear Bob:

As required by the Urban Water Management Planning Act of the California Water Code, this letter serves as formal notification that the Laguna Beach County Water District is currently updating its Urban Water Management Plan (UWMP). The Act specifically requires urban water suppliers providing water to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually to update their UWMP every five years. UWMP's are prepared by California's urban water suppliers to support their long-term resource planning and ensure adequate water supplies are available to meet existing and future water demands.

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Sincerely,

Renae M. Hinchey
General Manager

Sold To:

Laguna Beach County Water District - CU00098542
306 3rd St
Laguna Beach, CA 92651

Bill To:

Laguna Beach County Water District - CU00098542
306 3rd St
Laguna Beach, CA 92651

LEGAL NOTICE

A public hearing to consider the adoption of the Laguna Beach County Water District's 2015 Urban Water Management Plan (UWMP) update will be held on June 14, 2016 at 4:30 p.m. at the Laguna Beach County Water District office, 306 Third Street, Laguna Beach, California. UWMP's are prepared by California's urban water suppliers to support their long-term resource planning and ensure adequate water supplies are available to meet existing and future water demands. A copy of the Draft Plan is available for review at the District's office, online at laguna-beachwater.com, and at the Laguna Beach Public Library, 363 Glenneyre Street, Laguna Beach. For information, contact the District at 494-1041.

RECEIVED

JUN 09 2016

LAGUNA BEACH COUNTY
WATER DISTRICT

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

**STATE OF ILLINOIS
County of Cook**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the action for which the attached notice was published.

I am a principal clerk of the Coastline Pilot, which was adjudged a newspaper of general circulation on July 27, 1992, Cases A164259 for the City of Laguna Beach, County of Orange, and State of California. Attached to this Affidavit is a true and complete copy as was printed and published on the following date(s):

Jun 03, 2016; May 20, 2016

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated at Chicago, Illinois
on this 06 day of 06, 2016.



[signature]

435 N. Michigan Ave.
Chicago, IL 60611

RESOLUTION NO. 813

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAGUNA BEACH COUNTY WATER DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING AND ADOPTING AN URBAN WATER MANAGEMENT PLAN UPDATE FOR THE LAGUNA BEACH COUNTY WATER DISTRICT, PREPARED IN ACCORDANCE WITH THE REQUIREMENTS OF THE URBAN WATER MANAGEMENT PLANNING ACT AS SET FORTH IN DIVISION 6 OF THE WATER CODE OF THE STATE OF CALIFORNIA RELATING TO WATER CONSERVATION.

WHEREAS, the URBAN WATER MANAGEMENT PLAN UPDATE for the LAGUNA BEACH COUNTY WATER DISTRICT has been prepared in accordance with the requirements of the URBAN WATER MANAGEMENT PLANNING ACT, found at Water Code § 10642; and

WHEREAS, pursuant to Water Code § 10642, the Laguna Beach County Water District 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; and

WHEREAS, pursuant to Water Code § 10642, prior to adopting a plan, the Laguna Beach County Water District made the plan available for public inspection and the Water Commission of the Laguna Beach County Water District held a public hearing thereon on June 14, 2016; and

WHEREAS, prior to the hearing, notice of the time and place of hearing was published within the jurisdiction of the Laguna Beach County Water District pursuant to § 6066 of the Government Code; and

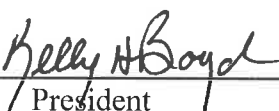
WHEREAS, the plan was modified pursuant to recommendations made at the Public Hearing.

NOW, THEREFORE, BE IT RESOLVED, THE BOARD OF DIRECTORS OF THE LAGUNA BEACH COUNTY WATER DISTRICT, does hereby RESOLVE and ORDER as follows:

Section 1: That having duly considered the URBAN WATER MANAGEMENT PLAN for this District, as submitted by General Manager/Secretary Renae M. Hinchey, and having held a public hearing, after publication of the notice of the time and place of hearing pursuant to Water Code § 6066, said Board of Directors does hereby RESOLVE and ORDER that the URBAN WATER MANAGEMENT PLAN UPDATE for the LAGUNA BEACH COUNTY WATER DISTRICT, dated December 2005, a copy of which is attached and marked "Exhibit A" be adopted and approved.

Section 2: That this Resolution Number 813 shall supersede Resolution No. 771, effective this date.

ADOPTED, SIGNED AND APPROVED THIS 15th day of June, 2016.



President

ATTEST: 

Secretary