

Exhibit K

MOJAVE BASIN AREA WATERMASTER

FOR
CITY OF BARSTOW, ET AL, VS. CITY OF ADELANTO, ET AL,
CASE NO. 208568 - RIVERSIDE COUNTY SUPERIOR COURT

May 1, 2014

**TO: Clerk of the Superior Court
of Riverside County, California**

RE: Watermaster Annual Report for Water Year 2012-13

Pursuant to Judgment After Trial in the case of City of Barstow, et al., vs. City of Adelanto, et al., Case No. 208568 entered January 10, 1996, submitted herewith is the Twentieth Annual Report of the Mojave Basin Area Watermaster, dated May 1, 2014, setting forth the activities and determinations of the Watermaster for Water Year 2012-13.

Respectfully submitted,

MOJAVE BASIN AREA WATERMASTER

By: *V. Wigenstein*
Valerie L. Wigenstein
Watermaster Services Manager

WATERMASTER:
Jim Ventura, Chairman
Beverly J. Lowry, Vice Chairman
Carl Coleman
Kimberly Cox
Richard D. Hall
Michael L. Page
Doug Shumway

Kirby Brill, Executive Officer
Joanne James, Secretary
Kathy Cortner, Treasurer
William J. Brunick, Attorney
Robert C. Wagner, Engineer

TWENTIETH ANNUAL REPORT

OF THE

MOJAVE BASIN AREA WATERMASTER

WATER YEAR 2012-13

CITY OF BARSTOW, ET AL, VS. CITY OF ADELANTO, ET AL,
CASE NO. 208568 -- RIVERSIDE COUNTY SUPERIOR COURT

MAY 1, 2014

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**TWENTIETH ANNUAL REPORT OF THE
MOJAVE BASIN AREA WATERMASTER
FOR WATER YEAR 2012-13**

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CHAPTER 2

SUMMARY OF WATERMASTER ACTIVITIES

During Water Year 2012-13, the Mojave Basin Area Watermaster consisted of Carl Coleman, Kimberly Cox, Richard Hall, Beverly J. Lowry, Mike Page, Doug Shumway and Jim Ventura. Jim Ventura and Beverly J. Lowry served as Chairman and Vice Chairman respectively. Kirby Brill served as Executive Officer, Joanne James as Secretary and Kathy Cortner as Treasurer.

The first Watermaster meeting of the 2012-13 Water Year was held on November 28, 2012 and six additional meetings were held throughout the year. Copies of the minutes of the meetings as well as other official records are maintained and available at the office of the Watermaster, which is located at 13846 Conference Center Drive, Apple Valley, CA 92307.

As required by the Judgment, the Watermaster prepared the Nineteenth Annual Report of the Mojave Basin Area Watermaster for Water Year 2011-12, which was published under the date May 1, 2013.

Watermaster adopted recommendations for FPA for Water Year 2013-14 as indicated in Watermaster's Nineteenth Annual Report to the Court. The Court subsequently adopted Watermaster's recommendation.

Actions taken by the Watermaster during the year included acceptance of the Report on Audit for Fiscal Year 2011-12, approval of the Administrative Budget for Water Year 2013-14, approval of Replacement, Makeup, Administrative and Biological Assessment Rates for Water Year 2013-14. The Administrative Budget and Assessment Rates for 2013-14 were adopted and are summarized on Table 2-1.

Transfers

There were 149 transfers of FPA and Carryover FPA during the year. These transfers are reported in Appendix E. There were 24 transfers of BAP. Transfers of BAP are reported in Appendix E, K & L (Table 8). Any additional transfers of unused 2012-13 FPA that may take place prior to June 1, 2014 will be reported in Appendix E of the Watermaster's Annual Report for 2013-14.

Rules and Regulations

The Rules and Regulations that were adopted by Watermaster June 30, 1994 and revised December 11, 1996, March 23, 2005 and October 29, 2008 remain in effect.

Biological Resources Trust Fund

The Biological Resources Assessment Rate for 2012-13 increased to \$0.80 per acre-foot. There were no expenditures from the Biological Resources Trust Fund during the year. The Biological Resources Assessment Rate for 2013-14 was increased to \$0.81 per acre-foot.

Storage Agreements

A Storage Agreement between MWA and the Watermaster covering each Subarea was approved during the 1994-95 Water Year and remains in effect.

Watermaster entered into a storage agreement with a party to the Judgment on June 1, 2002. Per the terms of the agreement, an extension to May 31, 2017 was approved by Watermaster. The status of storage accounts is reported in Appendix F.

TABLE 2-1

MOJAVE BASIN AREA WATERMASTER
ADMINISTRATIVE BUDGET AND ASSESSMENT RATES
FOR WATER YEAR 2013-14

ADMINISTRATIVE BUDGET

1.	Administrative Services	\$ 276,770.00
2.	Engineering Services	\$ 73,500.00
3.	Legal Services	\$ 30,000.00
4.	Audit Services	\$ 7,000.00
	Total Estimated Budget	\$ <u>387,270.00</u>

ASSESSMENT RATES

1. Administrative
\$ 3.55/acre-foot of Production
2. Biological
\$ 0.81/acre-foot of Production
3. Replacement and Makeup Water
2012-13 \$425.00 /acre-foot¹
(6/1/14 Invoice Date)
2013-14 “Not to exceed” \$448.00 /acre-foot²
(6/1/15 Invoice Date)

¹ The rate adopted for Water Year 2012-13 was adopted by the Mojave Water Agency on February 13, 2014 pursuant to Resolution No. 982-14 in accordance with the changes to the Watermaster Rules and Regulations adopted October 29, 2008.

² This rate is for obligations incurred in the 2013-14 Water Year which will be billed in June 2015. The fixed rate that will be used for invoicing will be determined by the Mojave Water Agency in February 2015.