

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,
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MAY 1, 2014

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

TABLE OF CONTENTS

CHAPTER 1

	<u>Page</u>
INTRODUCTION	1
Scope of Report.....	1
History of Litigation	2
Summary of the Judgment	4
The Physical Solution	6

CHAPTER 2

SUMMARY OF WATERMASTER ACTIVITIES	9
Transfers	9
Rules and Regulations	10
Biological Resources Trust Fund.....	10
Storage Agreements.....	10
Subarea Advisory Committees	12
Water Production and Verification	13
Streamflow, Precipitation and Other Data.....	13
Related MWA Activities	14

CHAPTER 3

WATER SUPPLY CONDITIONS	18
Precipitation during 2012-13	18
Runoff during 2012-13	18
At the Forks	20
At Lower Narrows	20
At Barstow	20
At Afton	20
Wastewater Imports	21
Victor Valley Wastewater Reclamation Authority Wastewater Effluent Discharges	21
Imported Water Deliveries by MWA	22
Transition Zone Water Levels	23
Subarea Water Levels	25
State of the Basin	27

CHAPTER 4

STATUS OF REPLACEMENT WATER AND MAKEUP WATER OBLIGATIONS29
Replacement Water.....29
Makeup Water.....30

CHAPTER 5

FREE PRODUCTION ALLOWANCE FOR WATER YEAR 2014-1533

CHAPTER 6

FINANCIAL REPORT PROPOSED BUDGET AND ASSESSMENT RATES42
Income Statement/Balance Sheet Summary42
Biological Resources Trust Fund Summary42
Administrative Budget for 2014-1542
Summary of Makeup Water Purchases.....42
Summary of Replacement Water Purchases43
Administrative and Biological Assessment Rates for 2014-1543
Projected Replacement and Makeup Water Assessment Rates for 2013-14 and 2014-1543

TABLES

	<u>Title</u>	<u>Page</u>
2-1	Administrative Budget and Assessment Rates for Water Year 2013-14.....	11
3-1	Monthly Discharge Amounts for Water Year 2012-13	19
4-1	Summary of Replacement Water Obligations and Replacement Water Assessments for Water Year 2012-13	30
4-2	Status of Subarea Obligations at the End of Water Year 2012-13	31
4-3	Status of Alto Subarea Obligations for Water Years 2003-04 through 2012-13.....	32
5-1	Subarea Hydrological Inventory Based on Long Term Average Natural Water Supply and Outflow and 1996-97 Imports and Consumptive Use	40
5-2	Subarea Hydrological Inventory Based on Long Term Average Natural Water Supply and Outflow and 2012-13 Imports and Consumptive Use	41
6-1	Administrative Budget for Water Year 2014-15	44

FIGURES

	<u>Title</u>	<u>Following Page</u>
3-1	Precipitation Characteristics, Mojave River Watershed.....	18
3-2	Seasonal Precipitation at Victorville Pump Plant and Seasonal Precipitation at Barstow Fire Station.....	18
3-3	Discharge Characteristics, Mojave River at the Forks	20
3-4	Seasonal Discharge of Mojave River at Lower Narrows and Seasonal Annual Discharge of Victor Valley Wastewater Reclamation Authority to Mojave River	20
3-5	Seasonal Discharge of Mojave River at Barstow and Seasonal Discharge of Mojave River at Afton.....	20
3-6	Alto Transition Zone – Location of Water Level Monitoring Wells.....	24
3-7	North Transition Zone Water Level Hydrographs.....	24
3-8	Middle Transition Zone Water Level Hydrographs	24
3-9	South Transition Zone Water Level Hydrographs.....	24
3-10	Alto Subarea (West Portion) Water Level Hydrographs and Map.....	26
3-11	Alto Subarea (East Portion) Water Level Hydrographs and Map	26
3-12	Alto Subarea (Transition Zone Area) Water Level Hydrographs and Map	26
3-13	Baja Subarea Water Level Hydrographs and Map	26
3-14	Centro Subarea Water Level Hydrographs and Map.....	26
3-15	Este Subarea Water Level Hydrographs and Map.....	26
3-16	Oeste Subarea Water Level Hydrographs and Map.....	26
3-17	State of the Basin-Alto Subarea Net Change in Storage	28
3-18	State of the Basin-Centro Subarea Net Change in Storage.....	28

APPENDICES

	<u>Title</u>
A.	Map of the Mojave Basin Area
B.	Producer Replacement Water and Makeup Water Obligations and Assessments Due for 2012-13
C.	Separation of Flow Components at Lower Narrows and Afton for 2012-13
D.	Calculation of Subsurface Flows between Subareas [reserved]
E.	Transfers of Base Annual Production, Free Production Allowance and Prior Year Carryover
F.	Balances in Storage Agreements
G.	Auditor’s Report as of June 30, 2013
H.	Free Production Allowance for Water Year 2013-14 and Proposed Free Production Allowance for Water Year 2014-54
I.	Amended Appendix B for Water Year 2011-12 Reconciled for Carryover Transfers In Lieu of Payment of Replacement and Makeup Water Assessments and All Other Errata
J.	Mojave Basin Area Watermaster--Notice List
K.	Permanent Transfers of Base Annual Production Right, 2012-13 Water Year
L.	Published Separately

APPENDIX L
(Published Separately)

	<u>Page</u>
Introduction	I
Mojave Basin Area Water Production Facilities, Cross Index by Owner	1
Mojave Basin Area Water Production Facilities, Cross Index by State Well Number	53
 <u>TABLE 1</u>	
Mojave Basin Area Verified Production by Owner and Facility	105
 <u>TABLE 1A</u>	
Mojave Basin Area Verified Production for Aquaculture and Recreational Lake Purposes	214
 <u>TABLE 2</u>	
Mojave Basin Area Summary of Verified Production, Owner Total	216
 <u>TABLE 3</u>	
Mojave Basin Area Summary of Verified Production in Alto Subarea, Owner Total	235
 <u>TABLE 4</u>	
Mojave Basin Area Summary of Verified Production in Baja Subarea, Owner Total	241

TABLE 5

Mojave Basin Area
Summary of Verified Production
in Centro Subarea, Owner Total250

TABLE 6

Mojave Basin Area
Summary of Verified Production
in Este Subarea, Owner Total253

TABLE 7

Mojave Basin Area
Summary of Verified Production
in Oeste Subarea, Owner Total256

TABLE 8

Mojave Basin Area
Permanent Transfers of Base Annual Production Right
October 1, 1993 Through September 30, 2013257

TABLE 9

Mojave Basin Area
Facility Transfers Reported to Watermaster
October 1, 1993 Through September 30, 2013276

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.