

EXHIBIT A
LAS POSAS WATERMASTER RULES

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ARTICLE I

GENERAL PROVISIONS

1.1. Title. This document shall be known and may be referred to as “The Las Posas Watermaster Rules” or “Rules”. This document is Exhibit A to the Judgment entered by the Court on June [REDACTED], 2023 in the case *Las Posas Valley Water Rights Coal. v. Fox Canyon Groundwater Mgmt. Agency*, Case No. VENCI00509700 (Anderle, J.) (the “Judgment”).

1.2. Purpose. This document provides the Las Posas Watermaster Rules developed to implement the Final Judgment and Physical Solution (“Judgment”) as adopted by the Court on June [REDACTED], 2023. The Judgment can be found on the Watermaster website ([www.\[REDACTED\]](http://www.[REDACTED])). These Rules implement, but do not supersede the Judgment.

1.3. Definitions. Any terms used herein are intended to be consistent with those set forth in the Judgment (to the extent there is overlap of terms). In the case of any inconsistencies, the definitions in the Judgment prevail over those described below. Any capitalized term used in these Rules not defined herein, but defined in the Judgment, will have the meaning ascribed to such term in the Judgment.

1.4. Construction. Unless the context clearly requires otherwise: The plural and singular forms include the other; “shall,” “will,” and “must” are each mandatory; “may” is permissive; “or” is not exclusive; and “includes” and “including” are not limiting.

1.4.2 The masculine gender shall include the feminine and neutral genders and vice versa.

1.4.3 Reference to any agreement, document, instrument, or report means such agreement, document, instrument or report as amended or modified and in effect from time to time in accordance with the terms thereof.

1.4.4 These Rules shall be construed consistent with the Judgment. In the event of a conflict between these Rules and the Judgment, the Judgment shall prevail.

1.4.5 Calleguas ASR Project Operations are governed by Article VIII of the Judgment. To the extent any provision in these Rules directly conflicts with the provisions of Article VIII or the Calleguas ASR Project Operations Plan, Article VIII and the Calleguas ASR Project Operations Plan shall control.

ARTICLE II

WATERMASTER ADMINISTRATION

2.1. Composition of Board. Section 5.1 of the Judgment appoints the FCGMA as Watermaster. The Watermaster Board will consist of five members, which will be the five Directors of the FCGMA. Consistent with FCGMA practice, when a Director does not attend a meeting of the Watermaster Board, the Director’s alternate may act instead of that Director. (Wat. Code Appx., § 121-401.)

2.2. Board Organization. The chair (*i.e.*, presiding officer) and vice chair of the Watermaster Board of Directors (“Watermaster Board”) shall be the same as the chair and vice chair, respectively, of the FCGMA’s Board of Directors.

2.3. Principal Office. The principal office of Watermaster shall be maintained at the office of the FCGMA, located at Ventura County Government Center, Administration Building, 800 South Victoria Avenue, Ventura, CA 93009-1610.

2.4. Review of Records. Records of Watermaster shall be maintained at the principal office of Watermaster and shall be open to inspection. Unless otherwise ordered by the Court pursuant to a noticed motion, Watermaster shall respond to a request to inspect Watermaster Records in a manner consistent with the California Public Records Act. If records of Watermaster are requested in electronic format, the person requesting the records will be responsible for the cost of a consultant to prepare the documents plus the cost of any storage device necessary to provide electronic records.

2.4.1 Website. Watermaster shall maintain a website, which may be a page or pages of the FCGMA’s general website. Watermaster shall publish on the website those records and other matters that are required by these Rules and the Judgment. Watermaster may also publish those documents that it deems to be of interest to the Parties, the general public, or the Court.

2.5. Watermaster Meetings and Notice. Watermaster shall hold meetings and provide notice of such meetings as provided for in these Rules.

2.5.1 Regular Meetings. Watermaster shall hold regular meetings on a periodic basis as is necessary to perform its roles and duties. Regular meetings shall be held at the principal office of Watermaster or such other location designated by the Watermaster Board. Notice for regular meetings shall be provided in a manner consistent with the requirements of the Ralph M. Brown Act (Gov. Code, § 54950, *et seq.*) (“Brown Act”).

2.5.2 Special Meetings. Watermaster may call special meetings at any time by delivering notice thereof at least 24 hours before the time of such meeting.

2.5.3 Public Meetings. All meetings, whether regular or special, shall be open to the public unless they are properly designated as a closed session consistent with the Brown Act.

2.5.4 Rules of Order. Except as may be provided herein, the procedures for the conduct of any meeting shall be governed by the parliamentary procedure adopted by the FCGMA. Such rules are deemed to be procedural only and failure to strictly observe such rules shall not invalidate any action taken at a meeting that is otherwise held in conformity with these Rules and the Judgment.

2.5.5 Minutes. Watermaster shall prepare minutes of each Watermaster meeting and post the minutes to the Watermaster website. The minutes shall contain a full and complete record of the proceedings of Watermaster at each meeting, including the entry in full of all resolutions and of all decisions together with a tally of director votes made during the meeting.

The minutes shall constitute notice of all actions therein reported. Unless a reading of the minutes is ordered by a majority of the board members of Watermaster, minutes may be approved without reading.

2.6. Voting Procedures.

2.6.1 Each board member of Watermaster shall have one vote. No proxy or absentee voting is permitted.

2.6.2 Three board members of Watermaster shall constitute both a quorum of the board and a majority of the board for the transaction of its affairs.

2.7. Powers and Duties of Watermaster.

2.7.1 Watermaster Duties. Watermaster shall carry out its duties, powers, and responsibilities in an impartial manner consistent with Section 5.1 of the Judgment.

2.7.2 Adoption of Procedures, Policies, and Forms. Watermaster may adopt such additional procedures, policies, and forms, consistent with the Judgment and as necessary to carry out these Rules and the Judgment.

2.7.3 Committee Consultation on GSP Updates. Pursuant to Section 4.9.1 of the Judgment, Watermaster shall share a draft GSP Update with PAC and TAC before Watermaster submits the GSP Update to the Court and the Department of Water Resources. Consistent with the Judgment, Watermaster shall consider and respond in writing to any recommended edits to the draft GSP Update by PAC and TAC before finalizing the GSP Update.

2.7.4 Watermaster Account(s). Watermaster may open and maintain one or more bank accounts for the deposit and holding of Watermaster funds. All funds received, held, and disbursed by Watermaster pursuant to the Judgment shall be held in Watermaster account(s) separate from all FCGMA accounts, and subject to separate accounting and an independent audit.

2.7.5 Investment of Funds. Watermaster may hold and invest all Watermaster funds in investments authorized from time to time pursuant to the investment policy adopted by the FCGMA for other funds managed by the FCGMA.

2.7.6 Watermaster Budget. Pursuant to Section 7.5 of the Judgment, Watermaster shall prepare a Watermaster Budget annually. The Watermaster Budget will be adopted at the same meeting that the FCGMA adopts its annual budget. The administrative budget shall set forth budgeted items in sufficient detail as necessary to make a proper allocation of expenses among Watermaster's principal Basin Management Actions. After adoption, any modification that would result in an increase in the budget of 10% or more shall be first submitted to the PAC for review and recommendation. At the midpoint of each fiscal year, Watermaster shall hold a public meeting to review the status of the budget and to describe Watermaster expenditures to date.

2.7.7 Liability Insurance. Watermaster shall be authorized to obtain and maintain such insurance policies as Watermaster deems appropriate. Watermaster may obtain and maintain directors' liability insurance that includes coverage for PAC and TAC members.

2.7.8 Grant Funding. Watermaster shall use best efforts to apply for, or facilitate the FCGMA applying for, available grant funding to further Sustainable Groundwater Management for the Basin and offset its costs.

2.7.9 Notice of Litigation. Watermaster shall provide reasonable notice to the parties to the Judgment of any threatened or existing litigation affecting Watermaster or that challenges the legality, validity, or enforceability of the Judgment, the Basin Optimization Plan, or these Rules.

2.7.10 Annual Reports. Watermaster shall develop and submit an annual report to the Department of Water Resources not later than April 1 of each year as required by Water Code section 10728 and Section 5.2.3 of the Judgment ("Annual Report"). The Annual Report shall include the information required for compliance with SGMA as set forth in Water Code section 10728 and California Code of Regulations title 23, section 356.2. The Annual Report also will include the following:

- (a) Annual Allocation Accounting;
- (b) Progress on Basin Optimization Plan;
- (c) Comprehensive Accounting of Calleguas ASR Project Operations;
- (d) Watermaster Budget then in effect;
- (e) An annual fiscal report of the preceding Water Year's operation;
- (f) An audit of all assessments and expenditures;
- (g) A review of Watermaster activities;
- (h) An updated Groundwater Allocation Schedule;
- (i) The Annual Allocations Calculation;
- (j) The Annual Allocations Accounting;
- (k) A list of delinquent assessments;
- (l) Compilations of the following:
 - (i) Hydrologic data collection;
 - (ii) Purchase and recharge of imported water;
 - (iii) New or Replacement Well applications;

- (iv) New Use Applications; and
- (m) Any other information required by the Judgment or these Rules.

2.8. Assessments.

2.8.1 Invoicing and Payment. Watermaster shall develop a schedule for the levying, invoicing, payment, and collection of Basin Assessments and any Overuse Assessments, provided that the initial Basin Assessment may be levied and invoiced separate from, and prior to, the development of such schedule.

2.8.2 Delinquencies. Assessments become delinquent one month after the date it is due. Delinquent Assessments shall bear interest at the then current real property tax delinquency rate for Ventura County. This interest rate shall apply to any said delinquent assessment from the due date thereof until paid. The delinquent assessment, together with interest thereon, costs of suit, attorney's fees and reasonable costs of collection, may be collected pursuant to: (a) motion by Watermaster; (b) order to show cause proceeding; or (c) such other lawful proceeding as may be instituted by Watermaster. Watermaster shall annually certify a list of all such delinquent assessments and publish this list within the Annual Report.

2.9. Basin Management Action Referral. Before rendering a decision on a Basin Management Action for which the Judgment requires Committee Consultation, Watermaster shall set a reasonable deadline for completion of the Committee Consultation consistent with Section 6.3 of the Judgment and Section 2.11 of these Rules. Watermaster may also elect to provide a written analysis and recommendation at the same time. The Basin Management Actions described in the following sections of the Judgment concern technical questions and shall be referred to the TAC for Committee Consultation prior to a Watermaster decision on the subject: 4.2, 4.6, 4.9.1, 4.10.1, 4.10.2, 4.10.3, 4.10.4, 4.11.2, 4.15.3, 5.2.3, 5.3.1, 5.3.2, 5.3.4, 5.3.5, 5.5, and 5.6. Watermaster may refer Basin Management Actions that do not involve a technical question only to the PAC. Watermaster shall inform both the PAC and TAC of all referrals.

2.10. Watermaster Consideration Following Committee Consultation. Watermaster may not make a decision on a Basin Management Action under consideration by a Committee pursuant to Section 6.3 and Section 6.4 of the Judgment until: (i) either all Committees considering the Basin Management Action have provided their Recommendation Report to Watermaster or the deadline set pursuant to Section 2.9 has expired; and (ii) Watermaster has developed a Response Report, if required by Section 6.3 of the Judgment, that is approved by Watermaster concurrently with Watermaster's decision on the Basin Management Action. Watermaster shall include its Response Report in the agenda packet of the meeting at which the matter is to be considered for decision by Watermaster and shall include a brief summary of any Recommendation Report and any Response Report within the minutes of the meeting.

2.10.1 Important Dates. The table below presents important dates related to Basin Management Actions.

Basin Management Actions - Important Dates			
Item	Subtask	Approval or Due Date	Period
Annual Report (§ 5.2.4)	Groundwater Extraction & Use Reports (§ 4.10.1.2)	November 1	
	Interim Draft to PAC & TAC	January 15	
	Revised Draft to PAC & TAC	February 1	
	PAC & TAC Recommendation Reports to Watermaster	February 20	~36 days
	Recommendation Reports Discussed by Watermaster	February Board Meeting	
	Watermaster Board Adoption	March Board Meeting	~36 days
	Final Submitted to DWR	By April 1	
Watermaster Budget (§ 7.4)	Draft Referred to PAC & TAC	March 1	
	PAC & TAC Recommendation Reports to Watermaster	April 30	~60 days
	Recommendation Reports Discussed by Watermaster	May Board Meeting	
	Watermaster Board Adoption	June Board Meeting	~57 days
Initial Basin Optimization Plan (§ 5.3.3)	Draft Referred to PAC & TAC	February 2, 2024	
	PAC & TAC Recommendation Reports to Watermaster	April 15, 2024	73 days
	Recommendation Reports discussed by Watermaster	April 24 and/or May 29, 2024 Board Meeting	
	Watermaster Board Adoption	June 26, 2024 Board Meeting	72 days
Calleguas ASR Project Operations Plan (§ 8.4)	Draft Plan Referred to PAC & TAC	July 1, 2024	
	PAC & TAC Recommendation Reports to Watermaster	September 16, 2024	77 days
	Recommendation Reports discussed by Watermaster	September 25 and/or October 30, 2024 Board Meeting	
	Watermaster Board Adoption of ASR Project Operations Plan	December 6, 2024 Board Meeting	81 days
GSP Update (§ 5.3.4)	Draft Referred to PAC & TAC	June 7, 2024	
	PAC & TAC Recommendation Reports to Watermaster	September 6, 2024	91 days
	Recommendation Reports Discussed by Watermaster	September 25 and/or October 30, 2024 Board Meeting	
	Watermaster Board Adoption	December 6, 2024 Board Meeting	91 days
	Final Submitted to DWR	By December 31, 2024	

Basin Management Actions - Important Dates			
Item	Subtask	Approval or Due Date	Period
2025 Basin Optimization Yield Study (§ 4.10.1)	Draft Scope of Work & Budget for Study Referred to TAC	September 7, 2023	
	PAC & TAC Recommendation Reports to Watermaster	October 23, 2023	46 days
	Recommendation Reports Discussed by Watermaster	October 25, 2023 Board Meeting	
	Approval of Scope of Work & Budget for Study	December 8, 2023 Board Meeting	46 days
	Draft Study Discussed by Watermaster Board	August 28, 2024 Board Meeting	264 days for draft
	Draft Study Referred to PAC and TAC	August 30, 2024	
	PAC & TAC Recommendation Reports to Watermaster	November 14, 2024	76 days
	Recommendation Reports Discussed by Watermaster	December 6, 2024 Board Meeting	
	Watermaster Adoption of Study and 2025 Basin Optimization Yield	January 29, 2025 Board Meeting	76 days

ARTICLE III

POLICY ADVISORY COMMITTEE

3.1. Election. Following entry of Judgment and as set forth herein, elections shall be held for the following Constituency Groups for the Policy Advisory Committee: the Commercial Group, the West Las Posas Large Agricultural Group, the West Las Posas Small Agricultural Group, the West Las Posas Mutual Water Company Group, the East Las Posas Large Agricultural Group, the East Las Posas Small Agricultural Group, and the East Las Posas Mutual Water Company Group (collectively the Landowner Constituency Groups). The remaining Constituency Groups shall select their respective PAC members pursuant to their own internal governance process.

3.1.1 Eligibility. A member of the PAC selected on behalf of any of the Landowner Constituency Groups must be either a Landowner, or the Landowner’s officer, employee, agent, director, board member, attorney, representative, affiliate, or subsidiary.

3.1.2 Notice of Initial Organizational Meeting and Election. Within 20 days of the entry of the Judgment, Watermaster will identify all WMIDs in each Landowner Constituency Group and submit to all Landowners a list identifying all Landowners associated with WMIDs in each group. Landowners will have 15 days to seek a correction regarding the placement of their WMID in a Landowner Constituency Group. Upon expiration of the objection period, Watermaster shall send a notice to each Water Right Holder, Landowner, Mutual Shareholder, Mutual Water Company, Calleguas Municipal Water District, and Ventura

County Waterworks Districts Nos. 1 and 19 advising them of the time, date, and place for the initial organizational meeting for each Landowner Constituency Group. It is anticipated that these meetings will be held no later than 60 days after approval of the Judgment. For convenience, where practical, the initial organizational meetings for each Management Area will be held on the same day and at the same location. The PAC is expected to be fully constituted within 90 days of the entry of judgement.

3.1.3 Notices. All election-related notices shall be transmitted by email to the email addresses of the Landowner Parties' designated representatives and their attorneys of record, and by posting on the Watermaster website. Watermaster shall maintain a service list of all members of each Landowner Constituency Group or their successors in interest, and it shall be the responsibility of those parties to maintain a current email address for the purposes of notice under these procedures. Notice shall not be transmitted to non-Parties or Parties not entitled to participate in the election of PAC members for the particular Landowner Constituency Group. All notices shall be transmitted and posted at the earliest practical time, and at least three business days in advance of any event or deadline for action.

3.1.4 Initial Organizational Meeting. Initial PAC representatives for each Landowner Constituency Group shall be selected at the Initial Organizational Meeting for that Landowner Constituency Group. Attendees will first select one member to serve as the presiding officer of the meeting. Nominees for PAC representative will then be accepted from those members attending the meeting. Any Member of each Landowner Constituency Group shall be entitled to nominate one individual to serve as representative for that Landowner Constituency Group. Nominations do not require a second. Each nominee must be a natural person, and either be a Party or agent of a Party or its successor in interest. Nominations shall be made by delivering such nomination to the presiding officer. Once all nominations have been made, the presiding officer will call for an election to appoint the PAC representative for the Landowner Constituency Group. Voting shall be weighted by Allocation Basis pursuant to Section 6.10.2 of the Judgment. The presiding officer shall count the votes based on each voting Party's proportionate share of the total Allocation Basis. The presiding officer shall provide the results to the Landowner Constituency Group upon completion. At that point, the presiding officer will resign and the PAC representative will chair the remainder of the meeting. The PAC representative will submit minutes of the meeting including the details of the vote and its outcome to Watermaster for ratification under the Judgment. Watermaster shall appoint or decline to appoint a nominee within 30 days of receiving the nomination as provided in the Judgment.

3.1.5 Steering Committees. Landowner Constituency Groups may elect to meet periodically as steering committees on any schedule they determine in order to receive reports from their PAC representative and provide comment or direction.

3.1.6 Term of Service; Replacement. Each member of the PAC will serve until that member resigns or is replaced pursuant to Section 6.10.2 of the Judgment. Upon a vacancy of a Landowner Constituency Group PAC member, the applicable Landowner Constituency Group shall hold a vote amongst its members to nominate a replacement PAC member pursuant to the procedure for initial selection set forth in this Article. The remaining Constituency Groups may select their respective PAC members pursuant to their own internal governance process.

3.2. Initial Consideration Meeting. The PAC shall take one of the following actions at the PAC meeting where PAC initially considers a Basin Management Action:

3.2.1 If Watermaster provides a recommendation, the PAC may vote to support Watermaster's recommended action and instruct the PAC Administrator to notify Watermaster, by email to the FCGMA's Executive Officer, of PAC's concurrence with Watermaster's recommendation. Watermaster, may, but need not, submit a Recommendation Report if it concurs with Watermaster's recommended action;

3.2.2 The PAC may postpone its action in order to obtain more information, conduct further research or due diligence, or for PAC members to consult with their Constituent Groups, but such postponement shall not exceed the deadline provided pursuant to Section 2.9.

3.2.3 The PAC may instruct the PAC Administrator to draft a Recommendation Report for the Basin Management Action. When the PAC instructs the PAC Administrator to draft a Recommendation Report, the PAC may assign an additional member of the PAC to work with the PAC Administrator to develop the Recommendation Report. The PAC may approve a Recommendation Report by majority vote or approve a Recommendation Report subject to the PAC Administrator making any changes to the written Recommendation Report instructed by the PAC.

3.2.4 The PAC may instruct the PAC Administrator to submit a request to Watermaster for an extension of time to provide its Recommendation Report.

3.2.5 At all further PAC meetings where a referred Basin Management Action is considered, the PAC may take any of the actions specified above, as remain applicable, and may also request changes to any draft Recommendation Report by the PAC Administrator.

3.3. Further Consideration Meetings. At all further PAC meetings where the Basin Management Action is considered, the PAC may take any of the actions specified above, as remain applicable, and may also request that the PAC Administrator edit any draft Recommendation Report.

ARTICLE IV

TECHNICAL ADVISORY COMMITTEE

4.1. Initial Consideration Meeting. The TAC shall take one of the following actions at the TAC meeting where TAC initially considers a Basin Management Action:

4.1.1 If Watermaster provides a recommendation, the TAC may vote to support Watermaster's recommended action and instruct the TAC Administrator to notify Watermaster, by email to the FCGMA's Executive Officer, of TAC's concurrence with Watermaster's recommendation. Watermaster, may, but need not, submit a Recommendation Report if it concurs with Watermaster's recommended action;

4.1.2 The TAC may postpone its action in order to obtain more information or conduct further research or due diligence, but such postponement shall not exceed the deadline provided in Section 2.9 of these Rules.

4.1.3 The TAC may instruct the TAC Administrator to draft a Recommendation Report for the Basin Management Action. The TAC may approve a Recommendation Report by majority vote or approve a Recommendation Report subject to the TAC Administrator making any changes to the written Recommendation Report instructed by the TAC.

4.1.4 The TAC may instruct the TAC Administrator to submit a request to Watermaster for an extension of time to provide its Recommendation Report.

4.2. Further Consideration Meetings. At all further TAC meetings where a referred Basin Management Action is considered, the TAC may take any of the actions specified above, as remain applicable, and may also request that the TAC Administrator edit any draft Recommendation Report.

ARTICLE V

EXTRACTION MONITORING AND REPORTING

5.1. Extraction Monitoring and Enforcement. All Parties shall install, maintain, and operate meters on their wells for monitoring Extraction pursuant to existing FCGMA ordinances. Parties who meter Extractions on the date of entry of the Judgment shall continue to meter Extractions. Any Party that drills a new or replacement well approved by Watermaster pursuant to Section 4.14 of the Judgment is also required to install, maintain, and operate a meter for monitoring Extractions pursuant to existing FCGMA ordinances. Watermaster shall exercise its authority to enforce timely and accurate reporting of extractions and use, which includes the ability to conduct site inspections or other enforcement actions to confirm compliance with metering requirements and any use restrictions.

5.2. Semi-Annual Extraction and Use Reporting. For any Party that Extracts or Uses Groundwater in a given Water Year, that Party will submit a completed Semi-Annual Groundwater Extraction and Use form to Watermaster that specifies the total amount of Groundwater Extracted and Used by the Party. Watermaster will provide on the Watermaster website the Annual Groundwater Extraction and Use form at the beginning of each Water Year. All reports of Extractions and Use of Groundwater are due to Watermaster on May 1 and November 1 of each year. Watermaster shall develop a form and schedule for the reporting of Semi-Annual Extractions and Use.

5.2.1 A WWD shall report to Watermaster the total amount of any Groundwater Extracted or obtained from any other source for Use by the WWD.

5.2.2 A Landowner or Mutual Hybrid Shareholder shall report to Watermaster both the total amount of all Groundwater Extracted and the total amount of Groundwater Used by the Landowner or Mutual Hybrid Shareholder from any source.

5.2.3 A Mutual Water Company shall report to Watermaster the total amount of all Groundwater Extracted, and on behalf of its Mutual Exclusive Shareholders, as the sole reporting entity, the total applied Groundwater Use by all of its Mutual Exclusive Shareholders. A Mutual Water Company shall also report to Watermaster the total amount of any Groundwater delivered by the Mutual Water Company to a Mutual Hybrid Shareholder or any other Party.