



STATE OF CALIFORNIA—STATE WATER RIGHTS BOARD

License for Diversion and Use of Water

Notice of Change (Over)

APPLICATION 8900PERMIT 5027LICENSE 6403

THIS IS TO CERTIFY, That

Santa Ana Valley Irrigation Company, a corporation
154 North Glassall Street
Orange, California

has made proof as of September 27, 1960,
(the date of inspection) to the satisfaction of the State Water Rights Board of a right to the use of the water of
(1) Mill Creek, (2) Chino Creek and (3) Santa Ana River in Orange, Riverside and San Bernardino Counties
tributary to (1) Chino Creek (2) Santa Ana River and Pacific Ocean

for the purpose of irrigation and domestic uses
under Permit 5027 of the State Water Rights Board and that said right to the use of said water has been
perfected in accordance with the laws of California, the Rules and Regulations of the State Water Rights Board and the
terms of the said permit; that the priority of the right herein confirmed dates from February 18, 1957,
and that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited
to the amount actually beneficially used for said purposes and shall not exceed six and one-tenth (6.1)
cubic feet per second to be diverted from about June 1 to about December 1 of
each year.

The equivalent of such continuous flow allowance for any thirty-day period may
be diverted in a shorter time if there be no interference with other vested rights.

The point of diversion of such water is located:

North twenty-nine degrees twelve minutes ten seconds east (N29° 12' 10"E) one
thousand nineteen and sixty-six hundredths (1019.66) feet from SW corner of
Section 20, T3S, R7W, SBB&M, being within SW $\frac{1}{4}$ of SW $\frac{1}{4}$ of said Section 20, and
being the control point for water developed from Chino Creek, Mill Creek and
Santa Ana River drainage production systems located in Sections 8, 9, 10, 15,
16, 17, 18, 20, and 21, T3S, R7W, SBB&M, as shown on map filed with State
Water Rights Board.

Point of rediversion is located:

South seventy-eight degrees no minutes east (S78° 00'E) two thousand seventy (2070)
feet from NE corner of Section 32, T3S, R7W, SBB&M, being within NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of said
Section 32.

A description of the lands or the place where such water is put to beneficial use is as follows:

13,623 acres net within a gross area of 15,500 acres as shown on map filed with
the State Water Rights Board.

All rights and privileges under this license including method of diversion, method of use and quantity of water
diverted are subject to the continuing authority of the State Water Rights Board in accordance with law and in the
interest of the public welfare to prevent waste, unreasonable use, unreasonable method of use or unreasonable method of
diversion of said water.

Reports shall be filed promptly by licensee on appropriate forms which will be provided for the purpose from time
to time by the State Water Rights Board.

The right hereby confirmed to the diversion and use of water is restricted to the point or points of diversion herein
specified and to the lands or place of use herein described.

This license is granted and licensee accepts all rights herein confirmed subject to the following provisions of the Water Code:

Section 1621. Each license shall be in such form and contain such terms as may be prescribed by the board.

Section 1626. All licenses shall be under the terms and conditions of this division (of the Water Code).

Section 1627. A license shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code) but no longer.

Section 1629. Every license shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriation of water to whom a license is issued takes the license subject to the conditions therein enumerated.

Section 1629. Every license, if he accepts a license does so under the condition precedent that no value whatsoever in excess of the actual amount paid on the State therefor shall at any time be assigned to or obtained for any license granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the service or the price of the service to be rendered by any licensee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any licensee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

Section 1630. At any time after the expiration of twenty years after the granting of a license, the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State shall have the right to purchase the works and property occupied and used under the license and the works built or constructed for the enjoyment of the rights granted under the license.

Section 1631. In the event that the State, or any city, city and county, municipal water district, irrigation district, lighting district, or political subdivision of the State so desiring at purchase and the owner of the works and property agrees upon the purchase price, the price shall be determined in such manner as is now or may hereafter be provided by law for determining the value of property taken in eminent domain proceedings.

Date: NOV 20 1967



L. K. Hill
L. K. Hill
Executive Officer

10/30/67

Orange County Water District

LICENSE 6405

STATE OF CALIFORNIA
STATE WATER RIGHTS BOARD

LICENSE
APPROPRIATE WATER

ISSUED TO Santa Ana Valley Irrigation Co.,
a corporation

NOV 20 1967

2025 6 10 10 0 34

789-x

REPORT TO
ORANGE COUNTY WATER DISTRICT
ON
FEASIBILITY OF ACQUIRING
WATER RIGHTS OF
SANTA ANA VALLEY IRRIGATION CO.
JULY 22, 1968



TOUPS ENGINEERING, INC.
CONSULTING CIVIL ENGINEERS

1801 N. COLLEGE SANTA ANA, CALIFORNIA 541-4431

July 22, 1968

Orange County Water District
1629 West Seventeenth Street
Santa Ana, California

Attention: Mr. Howard W. Crooke
Secretary-Manager

Pursuant to Motion No. 2567 of the Board of Directors of the Orange County Water District, I have reviewed available records and information relating to the feasibility of Orange County Water District acquiring all of the water rights owned by the Santa Ana Valley Irrigation Company.

It is my conclusion that the district will receive a substantial quantity of water by acquiring the Santa Ana Valley Irrigation Company's water rights, and that the value to the district of these water rights is at least \$3,300,000. The water rights acquired will be of general benefit to the land and people within the district. I recommend that the rights be acquired by the district. The facts and reasons supporting my conclusions and recommendations are set forth in this letter report.

PAST WATER USE BY SAVI

The Santa Ana Valley Irrigation Company and its predecessors in interest have diverted water from the Santa Ana River for over one hundred years. As early as 1860, the irrigation works of the company were one of the largest and most important in southern California, judged from the number of acres irrigated, the number of irrigators and stockholders and the amount of water distributed.

Practically from its very beginning, the company's share of the Santa Ana River flow has not been sufficient to meet the demands for irrigation water within its service area. Additional water has been obtained from wells located throughout the company's service area and from the Metropolitan Water District. Also the company, in cooperation with Anaheim Union Water Company, has for many years carried on a program of acquiring lands adjacent to the Santa Ana River upstream of Prado Dam, so as to prevent interference with the flows of the river by upstream and also to salvage the evapotranspiration losses which occur on these lands. Over the years the water obtained from this activity has helped to maintain or increase the flow of the river at the company's downstream point of diversion. The water supply obtained from these several sources is distributed to stockholders through an extensive system consisting of diversion works, canals, pipelines, reservoirs and service connections.

For over a hundred years the company has diverted and beneficially used 50% of the surface flow of the Santa Ana River at their diversion works during the irrigation season. As shown in Table A attached hereto, the surface diversions have fluctuated from year to year, being greater than 26,000 acre-feet in 1954 and about 10,000 acre-feet per year in recent years. The non-storm flow of the Santa Ana River at Prado Dam averaged about 47,500 acre-feet per year from 1935 to 1960, a period during which rainfall

was about normal. During the same period, SAVI diverted approximately one-third of that water, the Anaheim Union Water Company diverted approximately one-third, and the remaining one-third was not diverted but flowed downstream to the district's spreading grounds and sunk underground to replenish the underground basin. In addition to these surface diversions SAVI has pumped from wells a portion of the underflow in the reach of the river near their point of surface diversion.

The Santa Ana Valley Irrigation Company has developed water rights by reason of these past activities. These water rights appear to fall largely into two categories: (1) rights gained by long term diversion of surface or subsurface flow of the Santa Ana River; (2) rights gained through permit and licenses from the State Water Rights Board by reason of salvage of the evapotranspiration losses along the Santa Ana River above Prado Dam.

DECLINING WATER NEEDS OF SAVI

The service area of the Santa Ana Valley Irrigation Company is changing from a rural agricultural area to an urban area. This change will most likely continue so that in time, perhaps by 1980, the requirements for irrigation water will drop to practically nothing. The company can continue to serve its shareholders, and at the same time dispose of water rights and facilities not actually needed to serve the remaining shareholders. If the district acquires all of the water rights of the Santa Ana Valley Irrigation Company the district need not acquire an obligation to serve shareholders with water. The company can continue to serve its shareholders with water obtained from wells located within the Orange County Water District and also from water obtained from the Metropolitan Water District. In addition, SAVI may purchase water directly from the Orange County Water District at a price equivalent to the MWD irrigation rate.

This water would be supplied by the district to the company by diversion from the Santa Ana River into the company canal.

NEED OF ORANGE COUNTY WATER DISTRICT TO INCREASE WATER SUPPLY

Section 2 of the Orange County Water District Act provides, among other things, that the district shall have the power to acquire canals, conduits, waters, water rights, land and facilities useful or necessary to replenish the underground water basin within the district or to augment the common supplies of the district. To date, the district has done many things to replenish the underground basin and augment the common supplies of the district. These include construction and operation of spreading basins; acquisition of land in Prado Reservoir for salvage, conservation and storage purposes; purchase of large quantities of MWD water for groundwater replenishment; and purchase of water rights from Anaheim Union Water Company.

These past efforts alone are not sufficient to supply the future water needs of the district. Additional steps must constantly be taken to preserve and increase the supply. Of paramount importance is the preserving for use within the district of the supply of the Santa Ana River Water which historically has been used within the area of the district. The best way to keep all such waters within the district is for the district to acquire the rights to such water, including all of the water rights of the Santa Ana Valley Irrigation Company. The water made available under these SAVI rights can be added readily to the district's present replenishment program.

VALUE OF SANTA ANA VALLEY IRRIGATION COMPANY WATER RIGHTS

Valuation of the Santa Ana Valley Irrigation Company water rights depends, first, on the quantity of water which would be available under those rights for use within the district, and second, on

the dollar value assigned to that quantity of water. It is not possible to determine solely from available records exactly what is the quantity of the SAVI water rights. An estimate of this quantity must consider not only the legal aspects but also the numerous and interrelated complex physical factors which influence the flow of the river. Further, the dollar value of a fixed quantity of water is also somewhat debatable because of such things as reliability of uniformity of availability, water quantity and cost of utilization. However, notwithstanding these uncertainties, there is no doubt that the value to the district of the SAVI rights is at least \$3,300,000. Any reasonable assumptions as to future quantities and future water costs clearly show that the value of the rights is at least \$3,300,000.

For example, the district recently acquired water rights from the Anaheim Union Water Company for about \$2,900,000. The district also assumed the responsibility to provide water service to Anaheim Union Water Company shareholders. The acquisition price for the water rights reflected a substantial discount to cover this liability. Also, the acquisition price was based on 1965 projections of future cost of MWD water. The SAVI water rights exceed the rights acquired from Anaheim Union Water Company because SAVI has a right to a full one-half of the flow of the river during the irrigation season, whereas the Anaheim Union rights are to something less than one-half of the river flow because of the prior rights of the Bryant Ranch and the Yorba Irrigation Company which are deducted from the Anaheim Union one-half of the flow. If all of these factors are considered, it is apparent that the SAVI rights are worth at least \$3,300,000.

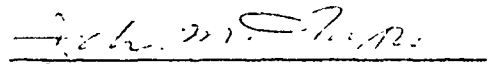
CONCLUSIONS AND RECOMMENDATIONS

The district must continually examine ways of obtaining additional water supplies for the area of the district. In general, there is

no one best source of water. The best water management program is one based on several sources of water supply with each source having certain advantages over each of the other sources. These sources include conservation and protection of local supplies, reclamation of wastewater and importation of water. Each of these potential supplies will have certain problems or uncertainties associated with it. For example, import water projects are always filled with uncertainties as demonstrated by MWD loss to Arizona of Colorado River water, or the likelihood that the State Water Project will cost substantially more than the amount of the original bond issue. Similarly, wastewater reclamation projects are filled with uncertainties regarding such things as costs and public acceptance. Nevertheless, the district must continually find ways to provide additional water for the lands and inhabitants within the district.

I believe that the district will receive a substantial amount of water by acquiring the Santa Ana Valley Irrigation Company water rights and that the \$3,300,000 cost of acquiring these rights is a reasonable cost. The water acquired under these rights will be of general benefit to the land and people within the district. It is recommended that the district acquire all of the water rights of the Santa Ana Valley Irrigation Company.

TOUPS ENGINEERING, INC.



John M. Toups

JMT:ac

Attachment

TABLE A
ESTIMATED DIVERSIONS BY SAVI OF THE SURFACE FLOW
OF THE SANTA ANA RIVER
IN ACRE FEET

<u>WATER YEAR</u>	<u>DIVERSIONS FOR DELIVERY TO SHAREHOLDERS</u>	<u>DIVERSIONS FOR SPREADING</u>
1931		
1932	13,480	
1933	17,146	
1934	15,443	
1935	11,670	
1936	17,473	
1937	13,945	
1938	14,670	
1939	14,296	
1940	13,812	
1941	11,974	
1942	19,447	
1943	16,880	
1944	15,771	
1945	14,383	
1946	15,881	
1947	13,135	
1948	14,687	
1949	14,887	
1950	18,228	
1951	20,927	
1952	16,207	
1953	19,283	
1954	26,518	
1955	14,809	
1956	13,162	
1957	12,783	3115
1958	7,571	3862
1959	10,748	4813
1960	6,715	2684
1961	8,550	603
1962	6,189	3431
1963	8,060	3236
1964	8,344	1895
1965	7,347	2699
1966	7,037	3502
1967	4,735	5261

NOTE: Col. 1 includes Col. 2 for years prior to 1957.

Basis of Deal

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AGREEMENT

THIS AGREEMENT is made and entered into this 24th day of July, 1968, by and between the Orange County Water District, a public corporation, hereinafter referred to as "DISTRICT" and the Santa Ana Valley Irrigation Company, a California corporation, hereinafter referred to as "COMPANY".

RECITALS

A. DISTRICT is a public corporation, organized and existing under the Orange County Water District Act, as amended, and is responsible for and concerned with the protection, conservation and augmentation of the common water supplies of said DISTRICT.

B. The waters of the Santa Ana River are the principal and historic source of the common water supplies of DISTRICT.

C. COMPANY owns and has owned for many years certain water rights, which include the right to divert a portion of the surface and subsurface flow of the Santa Ana River.

D. COMPANY owns certain lands and water production facilities contiguous to, but outside, the boundaries of DISTRICT, which produce water from the subsurface flow of the Santa Ana River and uses COMPANY'S canal to carry said water from outside DISTRICT into DISTRICT boundaries for use therein.

E. DISTRICT has recently acquired and is the owner of all of the water rights formerly owned by the Anaheim Union Water Company, which include a portion of the surface and subsurface flow of the Santa Ana River stream at or near Bedrock Crossing. Said water rights were acquired from the City of Anaheim after said city acquired the same through an action in eminent domain in the Superior Court of the State of California, in and for the County of Orange, brought against said Anaheim Union Water Company, entitled City of Anaheim, a municipal corporation, plaintiff, vs. Anaheim Union Water Company, etc., et al., defendants, No. 127381.

1 F. COMPANY desires to avoid the expense of condemnation
2 litigation which would be instituted to acquire COMPANY's portion
3 of the Santa Ana River water rights and is therefore willing to
4 transfer all of its water and water rights to DISTRICT.

5 G. DISTRICT has caused an engineering report to be made by
6 Toups Engineering, Inc., for the purpose of determining whether the
7 purpose and project of acquiring the water rights which COMPANY
8 has offered to sell to DISTRICT is feasible and necessary and of
9 a general benefit to the lands in the DISTRICT as required by
10 Section 20.6 of the Orange County Water District Act. Toups
11 Engineering, Inc., has made its report to the Board of Directors
12 as provided for and required by said section. The Board of
13 Directors has adopted Resolution No. 68-7-51 wherein it
14 has determined that the acquisition of said water rights is
15 feasible and necessary and of general benefit to the lands in the
16 Orange County Water District.

17 H. The acquisition of such water rights is authorized by
18 the Orange County Water District Act, is useful and necessary to
19 replenish the underground water basin within the DISTRICT and is
20 for the common benefit of the DISTRICT for the purpose of protecting
21 the ground water supplies within the DISTRICT.

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23 NOW, THEREFORE, in consideration of the terms, covenants
24 and conditions herein contained, the parties do hereby agree:
25

26 1. COMPANY shall sell, transfer and convey to DISTRICT
27 and DISTRICT shall buy all of the water and water rights of
28 COMPANY, whether riparian, prescriptive, overlying or appropriative,
29 of whatever kind, nature or source, including the right to take,
30 use or control water of the Santa Ana River, its springs, sources
31 and tributaries flowing through the Santa Ana Canyon, and down
32 the channel and bed of the Santa Ana River, also including

1 but not limited to, any and all rights of COMPANY pursuant to the
2 terms of License No. 6403 (Application No. 8900, Permit No. 5027)
3 and Application No. 11036, Permit No. 14671 issued by the State
4 Water Rights Board of the State of California; provided however
5 that the DISTRICT is not acquiring the water wells of COMPANY.

6 2. DISTRICT shall pay to COMPANY as and for the purchase
7 price of the foregoing, the sum of \$3,300,000. Said sum shall
8 be paid as follows:

9 First payment: On or before August 2, 1968, the sum of
10 \$985,000;

11 Second payment: On January 2, 1969, the sum of \$985,000,
12 plus 4% interest per annum on the unpaid balance of the principal
13 from the date of the first payment hereunder;

14 Third payment: On or before January 2, 1970, but not prior
15 to January 1, 1969, the sum of \$985,000, plus 4% interest per
16 annum on the unpaid principal balance from the date of the second
17 payment hereunder;

18 Fourth payment: On or before January 2, 1971, but not prior
19 to January 1, 1969, the sum of \$345,000, plus 4% interest per
20 annum on the unpaid principal balance from the date of the third
21 payment hereunder.

22 3. Concurrently with the execution of this agreement
23 COMPANY shall execute and deliver to DISTRICT a deed of conveyance
24 to said water and water rights, a copy of which is attached hereto
25 and marked Exhibit "A".

26 4. COMPANY shall immediately after the execution of this
27 agreement, commence proceedings for the inclusion within DISTRICT
28 of all lands now owned or hereafter acquired by it in the Santa
29 Ana River Watershed within Orange County and not presently within
30 the DISTRICT.

31 5. DISTRICT will have no obligation to serve the share-
32 holders or customers of COMPANY and COMPANY will continue to provide

1 the water and water service for its irrigating shareholders as it
2 has historically done in the past; however it will rely upon
3 supplies from its water well systems and Metropolitan Water District
4 of Southern California except as is otherwise mutually agreed upon.

5 IN WITNESS WHEREOF, the parties hereto have executed this
6 agreement by and through the authorized representatives of
7 DISTRICT and COMPANY.



8 ORANGE COUNTY WATER DISTRICT
9 By Gaylord P. R. R. R.
President

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11 By Howard W. Cooke
Secretary-Manager

12 SANTA ANA VALLEY IRRIGATION COMPANY
13 By George H. H.
Vice President

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15 By W. H. H.
Secretary

16 Approved as to form:
17 W. H. H.
18 Attorney for District

20 Approved as to form:
21 W. H. H.
22 Attorney for Company

After recordation
Return to:
Orange County Water District
1629 W. 17th Street
Santa Ana, Calif. 92706

2066

Exhibit "A"

NO. 8680 PL. 451

RECORDED AT REQUEST OF
Orange County Water Dist.
IN OFFICIAL RECORDS OF
ORANGE COUNTY, CALIF.
1968 AUG 2 1568
J. WYLE CARLISLE, County Recorder

GRANT DEED

FREE
CS

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, SANTA ANA VALLEY IRRIGATION COMPANY, a California corporation, does hereby grant to ORANGE COUNTY WATER DISTRICT, a public corporation, all of its water and water rights in the counties of Orange, Riverside and San Bernardino, State of California, described as:

all of the existing water and water rights of said SANTA ANA VALLEY IRRIGATION COMPANY, whether riparian, prescriptive, overlying or appropriative, of whatever kind, nature or source, including the right to take, use or control water of the Santa Ana River, its springs, sources and tributaries flowing through the Santa Ana Canyon, and down the channel and bed of the Santa Ana River, and also including but not limited to, any and all rights of SANTA ANA VALLEY IRRIGATION COMPANY pursuant to the terms of License No. 6403 (Application No. 4900, Permit No. 5027) and Application No. 11036, Permit No. 14671 issued by the State Water Rights Board of the State of California, not including, however, the water wells of grantor.

DATED: This 15 day of July, 1968.

SANTA ANA VALLEY IRRIGATION COMPANY

By *George M. Vein*
President

By *J. C. Hanson*
Secretary

STATE OF CALIFORNIA)
COUNTY OF ORANGE)ss

On this 15th day of July, 1968, before me, the undersigned, a Notary Public in and for said County and State, personally appeared GEORGE M. VEIN, known to me to be the President, and J. C. HANSON, known to me to be Secretary of the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

Jewel E. Galesdor
Notary Public in and for
said County and State, My Commission Expires July 19, 1970

JEWEL E. GALESDOR
Notary Public
State of California
My Comm. Expires July 19, 1970
Orange County

RESOLUTION NO. 68-7-52 AUTHORIZING EXECUTION, DELIVERY
OF AGREEMENT FOR O.C.W.D PURCHASE
OF S.A.V.I. WATER AND WATER RIGHTS;
ACCEPTANCE OF GRANT DEED AND
RECORDATION THEREOF

WHEREAS, after this District had acquired certain water rights and facilities from City of Anaheim, the Board of Directors of Orange County Water District by Motion No. 2426 adopted December 13, 1967, authorized the staff of the District to contact others who might be on the threshold of losing water rights through non-use, to study such situations, assemble data, and prepare a report for the Board of Directors, and

WHEREAS, pursuant to said Motion No. 2426, the Secretary Manager of the District reported to the Board of Directors on July 10, 1968 that members of the District staff had been in contact with management of Santa Ana Valley Irrigation Company to investigate and determine their current water requirements and to evaluate their rights to water from all sources, and

WHEREAS, pursuant to said report of the Secretary Manager, this Board by Motion No. 2567 adopted July 10, 1968, employed Toups Engineering, Inc., Consulting Civil Engineers, to prepare a study on the feasibility and necessity of the District's acquiring the water and water rights of the Santa Ana Valley Irrigation Company, which report has been received and the project for acquisition of said water and water rights has been duly instituted,

NOW, THEREFORE, BE IT RESOLVED: That the President and Secretary of the District are hereby authorized and directed to execute and deliver on behalf of the District that certain agreement dated July 24, 1968 by and between Santa Ana Valley Irrigation Company and Orange County Water District providing for the purchase of the water and water rights of said company at a purchase price of \$3,300,000. upon the terms and conditions as more specifically set forth therein.

BE IT FURTHER RESOLVED: That the Board of Directors does hereby accept the grant deed in and to said water and water rights dated July 24, 1968, and does hereby authorize and direct the Secretary Manager to accept same and to consent to the recordation thereof on behalf of this Board of Directors and to execute a Certificate of Acceptance accordingly.

DIRECTORS:	AYE:	Directors Lake, Wagner, Allen, Varne, Seabridge, Chandler, Pearson, Clark
	NO:	None
	ABSENT:	Segerstrom, Watson

I DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 68-7-52 adopted by the Board of Directors of the Orange County Water District at a regular meeting of said Board held on the 24th day of July, 1968.

Thelma G. Willoughby
Thelma G. Willoughby
Assistant Secretary
Orange County Water District

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AGREEMENT

THIS AGREEMENT, made and entered into this 24th day of July, 1968, by and between the ORANGE COUNTY WATER DISTRICT, a public corporation, hereinafter referred to as "DISTRICT", and the SANTA ANA VALLEY IRRIGATION COMPANY, a California corporation, hereinafter referred to as "COMPANY".

RECITALS

A. The parties hereto have entered into a written agreement dated July 24, 1968, for the sale by COMPANY and the purchase by DISTRICT of all of the water and water rights of COMPANY, which said agreement provides for conveyance of said water and water rights to DISTRICT and the possession and control thereof on or before August 2, 1968.

B. COMPANY will indefinitely continue its business of delivering irrigation water to its shareholders, and will have special need of water for that purpose for the remainder of the current irrigation season.

C. COMPANY owns and operates a canal for the purpose of diverting the surface flow of the Santa Ana River, which transports water from its diversion works in the Santa Ana Canyon through the Olive regulating reservoir, and other facilities for the conveyance of water.

D. COMPANY desires to provide for a continued use of water from the Santa Ana River for the remainder of the current irrigation season and thereafter.

E. DISTRICT desires to obtain the right to use the said canal operated by COMPANY for the purpose of delivering water diverted from the Santa Ana River.

NOW, THEREFORE, in consideration of the covenants and conditions herein contained, the parties hereto do hereby agree

1 as follows:

2 1. COMPANY shall have and DISTRICT does hereby grant to
3 COMPANY the right to take water from the surface flow of the
4 Santa Ana River and from wells outside the boundary of DISTRICT
5 to the extent necessary to satisfy its irrigation needs until
6 the completion of the current irrigation season, but in no event
7 later than December 31, 1968, without payment of replenishment
8 assessment or other money to DISTRICT. After the end of the
9 current irrigation season or December 31, 1968, diversion of the
10 surface flow of the Santa Ana River by COMPANY shall only be
11 made on the mutual agreement of DISTRICT and at such time and
12 upon such terms and conditions as DISTRICT shall agree to; pro-
13 vided, however, that COMPANY shall pay to DISTRICT, for such
14 water so agreed to be diverted a sum equal to the rate then
15 charged by Metropolitan Water District for agricultural water.
16 Payment of such sums shall be made monthly.

17 2. COMPANY shall and does hereby convey to DISTRICT the
18 right to use COMPANY'S main canal from the diversion works in
19 the Santa Ana Canyon and COMPANY'S other facilities, to the
20 spreading facilities of DISTRICT for the conveyance of water,
21 so long as COMPANY continues to maintain and operate said canal
22 and said pipeline and has capacity therein in excess of the needs
23 of its irrigating shareholders.

24 3. Neither of the parties hereto shall assign any of its
25 rights provided for herein without the written consent of the
26 other party.

27 IN WITNESS WHEREOF, the parties hereto have executed this
28 agreement the day and year first above written.

29 DISTRICT

30 *[Signature]*
31 President

32 By *[Signature]*
Secretary-Manager

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SANTA ANA VALLEY IRRIGATION COMPANY

By George H. [Signature]
Vice President

By _____
Secretary

Approved as to form:

[Signature]
Attorney for District

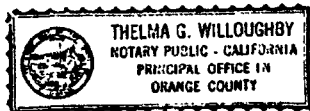
Approved as to form:

[Signature]
Attorney for Company

STATE OF CALIFORNIA)
) ss:
COUNTY OF ORANGE

On July 24, 1968, before the undersigned,
a Notary Public in and for said State, personally appeared
Courtney R. Chandler, known to me to be the Vice-President
and Howard W. Crooke, known to me to be the
Secretary of the corporation that executed the within Instrument,
known to me to be the persons who executed the within Instrument
on behalf of the corporation therein named, and acknowledged to
me that such corporation executed the within Instrument pursuant
to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



Thelma G. Willoughby

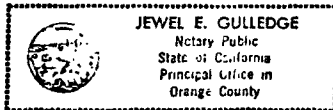
Notary Public in and for said
County and State.

My commission expires:
THELMA G. WILLOUGHBY
My Commission Expires Nov. 3, 1969

STATE OF CALIFORNIA)
) ss:
COUNTY OF ORANGE)

On July 30, 1968, before the undersigned,
a Notary Public in and for said State, personally appeared
GEORGE H. VEEH, known to me to be the President,
^{VICE}
and D. C. HANSON, known to me to be the
Secretary of the corporation that executed the within Instrument,
known to me to be the persons who executed the within Instrument
on behalf of the corporation therein named, and acknowledged to
me that such corporation executed the within Instrument pursuant
to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



Jewel E. Gullledge
Notary Public in and for said
County and State.

My commission expires: July 19, 1970

RESOLUTION NO. 68-7-52 AUTHORIZING EXECUTION, DELIVERY
OF AGREEMENT FOR O.C.W.D PURCHASE
OF S.A.V.I. WATER AND WATER RIGHTS;
ACCEPTANCE OF GRANT DEED AND
RECORDATION THEREOF

WHEREAS, after this District had acquired certain water rights and facilities from City of Anaheim, the Board of Directors of Orange County Water District by Motion No. 2426 adopted December 13, 1967, authorized the staff of the District to contact others who might be on the threshold of losing water rights through non-use, to study such situations, assemble data, and prepare a report for the Board of Directors, and

WHEREAS, pursuant to said Motion No. 2426, the Secretary Manager of the District reported to the Board of Directors on July 10, 1968 that members of the District staff had been in contact with management of Santa Ana Valley Irrigation Company to investigate and determine their current water requirements and to evaluate their rights to water from all sources, and

WHEREAS, pursuant to said report of the Secretary Manager, this Board by Motion No. 2567 adopted July 10, 1968, employed Toups Engineering, Inc., Consulting Civil Engineers, to prepare a study on the feasibility and necessity of the District's acquiring the water and water rights of the Santa Ana Valley Irrigation Company, which report has been received and the project for acquisition of said water and water rights has been duly instituted, NOW, THEREFORE, BE IT RESOLVED: That the President and Secretary of the District are hereby authorized and directed to execute and deliver on behalf of the District that certain agreement dated July 24, 1968 by and between Santa Ana Valley Irrigation Company and Orange County Water District providing for the purchase of the water and water rights of said company at a purchase price of \$3,300,000. upon the terms and conditions as more specifically set forth therein.

BE IT FURTHER RESOLVED: That the Board of Directors does hereby accept the grant deed in and to said water and water rights dated July 24, 1968, and does hereby authorize and direct the Secretary Manager to accept same and to consent to the recordation thereof on behalf of this Board of Directors and to execute a Certificate of Acceptance accordingly.

DIRECTORS: AYE:	Directors Lake, Wagner, Allen, Warne, Seabridge, Chandler, Pearson, Clark
NO:	None
ABSENT:	Segerstrom, Watson

I DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 68-7-52 adopted by the Board of Directors of the Orange County Water District at a regular meeting of said Board held on the 24th day of July, 1968.

Thelma G. Willoughby
Assistant Secretary
Orange County Water District

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