

**SETTLEMENT AGREEMENT BETWEEN LOS ANGELES DEPARTMENT OF
WATER AND POWER
AND THE MAMMOTH COMMUNITY WATER DISTRICT**

THIS SETTLEMENT AGREEMENT (“Agreement” or “Settlement and Exchange Agreement”) is made and effective as of the last date of execution (“Effective Date”) by and between the City of Los Angeles Acting By and Through its Los Angeles Department of Water and Power (“LADWP”) and the Mammoth Community Water District (“MCWD”) (each a “Party” and collectively, the “Parties”), with reference to the following facts and intentions:

RECITALS

A. LADWP exercises riparian and pre-1914 appropriative water rights for diversions of water from Mammoth Creek and the Owens River watershed for beneficial purposes, including municipal supply, agricultural irrigation, and environmental benefits.

B. MCWD exercises post-1914 appropriative water rights on Mammoth Creek, a tributary stream to Hot Creek and subsequently the Owens River, under water right Licenses 5715 and 12593 and Permit 17332, for beneficial purposes of municipal water supply.

C. LADWP has two pending lawsuits against MCWD in Mono County Superior Court. One case challenges MCWD’s Final Environmental Impact Report for the Mammoth Creek Fishery Bypass Flow Requirements, Watershed Operation Constraints, Point of Measurement and Place of Use project (“Project EIR”). (Mono County Superior Court Case No. 110142.) The other case challenges MCWD’s approval of its 2010 Urban Water Management Plan (“UWMP”). (Mono County Superior Court Case No. 120012.) The two pending lawsuits are collectively referred to herein as the “Actions.”

D. LADWP and MCWD have common interests in supporting sustainable water resources management within the Mammoth Creek and Owens River watersheds, maximizing water use efficiency of consumptive beneficial uses in the watersheds, and seeking a mutually agreeable resolution of the pending Actions to avoid costly litigation and the uncertainties of such litigation.

E. LADWP and MCWD recognize the mutual benefits of supporting water conservation and water resources management actions and projects in the Mammoth Creek and Owens River watersheds to reduce the existing consumptive use of water in the watersheds.

F. In furtherance of the settlement efforts in this matter, and as a physical solution of the dispute, through an exchange, the Parties’ respective staffs have undertaken a detailed evaluation of MCWD’s consumptive uses of water from the Mammoth Creek watershed, and the consumptive use savings resulting from various water conservation actions, including the potential conversion of acreage in the watershed, which is currently irrigated by various means, to irrigation with sprinkler systems. This evaluation confirmed that if such various

water conservation actions are undertaken, the resulting water savings would approximately equal MCWD's projected consumptive uses of water at build-out and would not interfere with LADWP's ability to exercise its water rights in the watershed. The Parties' respective staffs have also calculated the costs of these various water conservation actions, and the estimated life expectancies of relevant facilities. The detailed evaluation and cost calculations provide the basis for MCWD's payment of funds to LADWP and the terms of this Agreement in accordance with the settlement herein.

G. In the negotiations that led to this Agreement, the Parties' technical representatives agreed that, when MCWD's diversions of surface water to its water treatment plant and extractions of groundwater, in combination, from the Mammoth Creek and Owens River watersheds, plus deliveries to MCWD's customers for use of recycled water that originally was diverted or extracted from the Mammoth Creek or Owens River watersheds (hereinafter collectively referred to as "MCWD's Diversions, Extractions and Deliveries"), reach a total of 4,387 acre-feet annually, the use of this water will result in an estimated total net consumptive use of 1,779 acre-feet annually. This estimate is based on the best available information and data, but several of the elements of this estimate could not be measured and therefore had to be based on estimates. The Parties are willing to enter into this Agreement based on these estimates and the resulting consumptive use percentage of 40.55% ($1,779/4,387 = 0.4055$).

H. Because MCWD's Diversions, Extractions and Deliveries currently are less than 4,387 acre-feet annually and the estimated total consumptive use associated with these diversions, extractions and deliveries currently is less than 1,779 acre-feet annually, and because the amount of MCWD's initial lump-sum payment to LADWP is based on water conservation and water use efficiency actions that are estimated to result in savings of 1,779 acre-feet annually, the Parties are willing to establish the methods of calculating and using consumptive use savings credits described in this Agreement for the Extended Primary Term of this Agreement, as hereinafter provided.

NOW, THEREFORE, in consideration of the above recitals and other consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties agree as follows:

1. **MCWD Payment.** Within sixty (60) days after execution of this Agreement, MCWD shall pay to LADWP a lump sum of \$3,400,000 to pay for LADWP's implementation of, and on-going operation and maintenance of, water conservation and water use efficiency actions in the watershed. LADWP shall use these funds to implement, operate and maintain such water conservation and water use efficiency actions.

2. **Dismissal.** Within five (5) days after MCWD pays LADWP the lump sum payment of \$3,400,000 under paragraph 1, above, LADWP shall dismiss the Actions with prejudice.

3. Term

3.1 The initial term of this Settlement and Exchange Agreement shall commence on the Effective Date, and shall continue for 50 years ("Primary Term") from January 1, 2014. The Primary Term shall be extended, without any additional payment by MCWD to LADWP, consistent with the provisions of sub-paragraphs 3.2 through 3.4 below ("Extended Primary Term").

3.2 During the Primary Term, consumptive use savings credits and each calendar year's ending consumptive use savings credit balance will be calculated according to the formulas in the spreadsheet in the exemplar Exhibit A to this Settlement and Exchange Agreement. On or before January 31 of each year of the Primary Term, beginning January of 2015, MCWD shall enter the amount of MCWD's actual total Diversions, Extractions and Deliveries for the prior calendar year into column (2) of this spreadsheet (to replace the example numbers in column (2)), and shall enter the actual change in the Consumer Price Index applicable to the Los Angeles/Orange/Riverside area ("CPI") for the prior calendar year into column (5) of this spreadsheet (to replace the example numbers in column (5)). The amount entered in column (6) will be the smaller of the CPI or 3%. All other entries in the spreadsheet are based on agreed-to formulas set forth in Exhibit A that will not change. MCWD shall provide the above-referenced entries to LADWP on or before January 31 of each year of the Primary Term.

3.3 At the end of the Primary Term, the final consumptive use savings credit balance calculated in the Exhibit A spreadsheet will be entered by MCWD into the first row of the exemplar spreadsheet in Exhibit B to this Settlement and Exchange Agreement and provided by MCWD to LADWP on or before January 31 of the year following the end of the Primary Term, and each subsequent calendar year's ending consumptive use credit balance then will be calculated by MCWD and provided to LADWP on or before January 31 of the following year according to the formulas in this spreadsheet. During the calendar year when this balance is predicted to shift from a positive number to a negative number, the consumptive use credit balance will be calculated at the end of every month by MCWD and provided to LADWP by the fifteenth day of the following month, and the CPI escalation factor will no longer be applied to the consumptive use credit balance. The numbers in columns (2) and (4) of the spreadsheet in Exhibit B will be entered by MCWD and provided to LADWP on or before January 31 of each year based on MCWD's total Diversions, Extractions and Deliveries for the prior calendar year and all other entries in the spreadsheet are based on agreed-to formulas set forth in Exhibit B that will not change.

3.4 The Extended Primary Term shall begin on the date on which the Primary Term ends and shall continue for a maximum of ten (10) years therefrom, provided that the consumptive use credit balance remains a positive number. The Extended Primary Term shall end on the earlier of either (1) the expiration of ten (10) years from the date the Extended Primary Term commenced; or (2) the first day of the first month for which the consumptive use credit balance is a negative number at the end of the month. In no event, shall the Extended Primary Term exceed ten (10) years, and this shall be the case even if the consumptive use credit balance remains a positive number at the expiration of ten (10) years.

3.5 Upon expiration of the Extended Primary Term, a subsequent term for 50 years shall commence ("Secondary Term"), subject to MCWD's payment to LADWP, within 60 days after the beginning of the Secondary Term, of an amount equal to \$2,400,000 escalated each year from the first day of the Primary Term to the first day of the Secondary Term at an annual escalation rate equal to the smaller of the CPI for that year or three percent.

3.6 No later than ten years prior to the expiration of the Secondary Term, the parties will meet and confer in good faith to attempt to reach agreement on a further extension of this Settlement and Exchange Agreement, and physical solution through exchange, consistent with the law as it may exist at the time that the Secondary Term expires.

3.7 With respect to the information and calculations provided by MCWD to LADWP pursuant to subparagraphs 3.2 and 3.3 above, if LADWP does not provide any comments on such information and/or calculations to MCWD within 60 days from when provided by MCWD to LADWP, then such information and calculations shall be deemed to be acceptable.

3.8 If the Consumer Price Index applicable to the Los Angeles/Orange/Riverside area ceases to exist, then a substantially comparable CPI shall be substituted therefor.

4. Limits on MCWD Water Use. While this Agreement is in effect, MCWD's total Diversions, Extractions and Deliveries shall not exceed 4,387 acre-feet annually. MCWD shall provide semi-annual reports to LADWP on June 30 and January 31 of each year with an accounting of the Diversions, Extractions and Deliveries during the periods of January 1 through June 30, and July 1 through December 31. In the event that subsequent updates of MCWD's UWMP forecast that future water demands in MCWD's service area beyond 2030 would require the Diversions, Extractions and Deliveries to exceed 4,387 acre-feet annually, then LADWP shall have the right to challenge, protest or otherwise object to any action of MCWD that would cause MCWD's total Diversions, Extractions and Deliveries to exceed that amount.

5. Limits on LADWP's Actions Regarding MCWD's Water Use

5.1 While this Agreement is in effect, LADWP shall not, on behalf of itself or its permittees and lessees: (a) oppose, protest, or otherwise challenge MCWD's project, as that project is defined in the Project EIR, in related proceedings currently before the State Water Resources Control Board ("SWRCB"), or in any other forum; and (b) oppose, protest, or otherwise challenge the SWRCB's issuance of Amended Water Right Permit 17332, dated January 31, 2013, Amended Water Right License 5715, dated January 31, 2013, or Amended Water Right License 12593, dated January 31, 2013. Within five (5) days after the effective date of this Agreement, LADWP shall notify the SWRCB that LADWP is withdrawing its Petition for Reconsideration that was filed with the SWRCB on February 28, 2013, regarding said amended permit and licenses. LADWP fully reserves and does not waive its rights to oppose, protest, and challenge any new water rights application that MCWD may file, or any future proposal by MCWD to increase the diversion rates or amounts presently authorized by said amended permit and amended licenses. Subject to the foregoing, LADWP shall not, on

behalf of itself or its permittees and lessees, protest or otherwise object to any future proposed changes to said amended permit and amended licenses that would not cause a substantial increase in the overall percentage of water consumptively used by MCWD and resulting from MCWD's Diversions, Extractions and Deliveries. In this regard, the estimated overall consumptive use percentage at build-out is 40.55% (1779/4387).

5.2 While this Agreement is in effect, LADWP shall not, on behalf of itself or its permittees and lessees, take any actions in any forum challenging, protesting, or in any way objecting to MCWD's surface water and groundwater rights respecting the Mammoth Creek and Owens River watersheds, or MCWD's diversions, extractions and use of water under those rights, provided that the total amount of MCWD's Diversions, Extractions and Deliveries do not exceed 4,387 acre-feet of water per calendar year, and further provided that LADWP shall have the right to challenge, protest, or otherwise object to any action by MCWD that would cause MCWD's total Diversions, Extractions and Deliveries to exceed 4,387 acre-feet per calendar year, and further provided that in the event of any general stream adjudication in the Mammoth Creek or Owens River watersheds, the rights and obligations of MCWD and LADWP under this Agreement shall be preserved, but this Agreement shall not prejudice or limit the rights or positions of either MCWD or LADWP with respect to any other party to such adjudication.

5.3 While this Agreement is in effect, LADWP shall not, on its behalf or on behalf of its lessees and permittees, oppose or in any way object to the United States Forest Service's ("USFS") issuance of special use permits or other approvals for MCWD's existing and future water and wastewater facilities on USFS lands; provided that MCWD's total Diversions, Extractions and Deliveries do not exceed 4,387 acre-feet per calendar year, and further provided that the issuance of any such special use permits would not cause a substantial increase in the overall percentage of water consumptively used by MCWD's customers and resulting from MCWD's Diversions, Extractions and Deliveries.

5.4 Provided that MCWD complies with all of the minimum instream fishery bypass flow requirements in MCWD's Amended Permit 17332 and Amended Licenses 5715 and 12593, including the requirement that MCWD shall not collect water to storage or directly divert water whenever the mean daily stream flows in Mammoth Creek are less than 4 cubic feet per second measured at the LADWP gage at Highway 395, LADWP shall not, while this Agreement is in effect, challenge or object to MCWD performing its Mammoth Creek stream flow monitoring at the Old Mammoth Road gage location.

6. Limits on MCWD's Actions Regarding LADWP's Water Use. While this Agreement is in effect, MCWD shall not, on behalf of itself or any other party, take any actions in any forum, including the SWRCB, challenging, protesting or in any way objecting to LADWP's existing surface water and groundwater rights, or LADWP's existing or future diversions, extractions and use of water under those rights; provided that LADWP's diversions, extractions and use of water will not have an adverse effect on MCWD's ability to exercise its total Diversions, Extractions and Deliveries dealt with in this Agreement.

7. **Attorneys' Fees and Costs.** Each Party shall bear its own costs and attorneys' fees associated with (a) the Actions; (b) the negotiation and preparation of this Agreement or any action to enforce this Agreement; (c) any challenges by any non-party to this Agreement; and (d) related implementing actions.

8. **Enforcement.** The Parties reserve all of their rights and remedies, both at law and in equity, to enforce the terms of this Agreement. The Parties agree that the Superior Court of California for the County of Mono, in which forum the Actions were filed, shall be the judicial forum for purposes of jurisdiction should any Party seek to enforce the terms of this Agreement. Either Party may file a motion pursuant to Code of Civil Procedure section 394 for the assignment of a neutral judge to hear any such enforcement action in Mono County Superior Court. If a Party files such a motion, then the other Party will not oppose the motion, but either Party may challenge the neutral judge assigned to hear the action.

9. **No Admission.** This Agreement reflects a compromise and settlement of the disputes in the Actions and the pending SWRCB proceedings on MCWD's amended water rights. This Agreement is predicated upon unique facts that exist between the Parties, and neither Party intends either this Agreement or any actions taken pursuant to it to be a waiver of any right, including but not limited to any water right, or any position concerning any such right with respect to each other or any third party. Neither the offer nor the acceptance of the terms and conditions of this Agreement, nor the giving or receiving of any consideration therein, nor the taking of any actions required herein, represents an admission of liability or responsibility on the part of any Party, and each Party expressly disclaims any such liability or responsibility. Neither this Agreement, nor any action taken pursuant to it, shall be used by either Party against the other in any future proceeding, other than a proceeding to enforce the terms of this Agreement.

10. **Public Announcement.** Prior to the public announcement of this Agreement, LADWP and MCWD will develop a mutually agreeable joint communication, which announces and explains this Agreement.

11. **General Provisions**

11.1 **Headings.** The headings of this Agreement are for convenience only and have no force or effect in the interpretation or construction of this Agreement.

11.2 **Binding Effect.** This Agreement shall be binding on and inure to the benefit of the Parties' respective successors, assigns, existing lessees and permittees as of the first date that their lease or permit is renewed on or after the effective date of this Agreement, and future permittees and lessees whose permits or leases become effective on or after the effective date of this Agreement.

11.3 **Waiver.** The waiver of any duty under or breach of this Agreement by any Party shall not be deemed to be a waiver of any preceding or subsequent breach, nor shall any waiver constitute a continuing waiver.

11.4 Notices. All communications related to this Agreement must be delivered in writing in person, or by U.S. mail, or Federal Express or other similar overnight delivery service at the addresses set forth below:

To: Mammoth Community Water District
General Manager
P.O. Box 597
2315 Meridian Boulevard
Mammoth Lakes, CA 93546

To: Los Angeles Department of Water and Power
Senior Assistant General Manager – Water System
P.O. Box 111, Room 1455
Los Angeles, CA 90051

With a copy to: Julie Conboy Riley
Deputy City Attorney
111 N. Hope Street, Room 340
Los Angeles, CA 90012

Any written communication given by mail shall be deemed delivered two (2) business days after such mailing date or one (1) business day if sent by overnight delivery service. Each Party may change its designated address and person(s) to whom notice must be delivered by giving written notice to the other Party in accordance with the provisions of this subparagraph 11.4.

11.5 Authorizations. All individuals executing this Agreement and other documents on behalf of the respective Parties certify and warrant that they have the capacity and have been duly authorized to so execute the documents on behalf of the entity so indicated. Each signatory shall indemnify the other Party to this Agreement, and hold it harmless, from any and all damages, costs, attorneys' fees, and other expenses, if the signatory is not so authorized.

11.6 Effectiveness of this Agreement. The Parties acknowledge and agree that no term or provision of this Agreement will take effect or be binding on the Parties unless and until this Agreement has been fully signed and delivered by all of the Parties.

11.7 Advice of Counsel. In executing this Agreement, each Party acknowledges that it has consulted with and had the advice and counsel of an attorney duly admitted to practice in the State of California, and each Party further acknowledges that it has executed this Agreement after independent investigation, of its own free choice and will, and without fraud, duress, or undue influence. Each Party has investigated the facts pertaining to this Agreement to the extent such Party deems necessary, assumes the risk of mistake with respect to such facts and acknowledges that this Agreement is intended to be final and binding upon the Parties regardless of any claim of mistake. This Agreement is not subject to challenge on the grounds that any or all of the legal theories or factual assumptions used for negotiating purposes are for any reason inappropriate or inaccurate.

11.8 Sole Agreement. This Agreement constitutes the entire agreement and understanding between the Parties concerning the subject matter of this Agreement, and supersedes and replaces any and all prior or contemporaneous negotiations, offers, proposals, terms, representations, warranties, and agreements, whether written or oral, concerning the subject matter of this Agreement. The Parties acknowledge that no other party, nor any agent or attorney of any Party, has made any promise, representation, warranty, or other inducement of any kind or nature whatsoever, written or oral, express or implied, concerning the subject matter of this Agreement, to induce the Party to execute this Agreement or for any other purpose, and each Party acknowledges that it has not executed this Agreement in reliance on any promise, representation, warranty, or other inducement that is not expressly set forth in this Agreement.

11.9 Governing Law. This Agreement is made and entered into in the State of California and the Parties agree that this Agreement will in all respects be interpreted, enforced, and governed by and under the internal laws of the State of California, without resort to choice of law principles.

11.10 Construction. This Agreement shall be construed without regard to any presumption or rule requiring construction against the party causing such instrument to be drafted, as each Party has participated in negotiating the drafting of this Agreement and had the opportunity to have their counsel review it. The language in all parts of this Agreement will, in all cases, be liberally construed to effect its purposes, and as a whole according to its meaning and not strictly for or against any Party.

11.11 Execution of Agreement. This Agreement may be executed in counterparts with the same force and effect as if executed in one complete, original document. Signatures delivered by facsimile or electronic transmission will be accepted as though originals.

11.12 Third Party Beneficiaries and Parties. The only Parties to this Agreement are those specifically named in this Agreement. There are no third party beneficiaries to this Agreement. This Agreement is not enforceable by any person except a Party to this Agreement, or its respective representatives, heirs, devisees, successors, and assigns.


11.13 Amendment to Agreement. Any amendment to this Agreement must be in writing and signed by duly authorized representatives of the Parties hereto and state the intent of the Parties to amend this Agreement.

11.14 Further Assurances. The Parties agree that each of them will execute and deliver to the other Party all such further documents and instruments as may be necessary and appropriate to effect the terms and conditions of this Agreement.


11.15. Time of the Essence. Time is of the essence of this Agreement and the performance by each Party of the obligations on that Party's part to be performed.

IN WITNESS WHEREOF, the Parties have executed this Agreement as follows:

DEPARTMENT OF WATER AND POWER OF THE
CITY OF LOS ANGELES BY BOARD OF WATER
AND POWER COMMISSIONERS OF THE CITY OF
LOS ANGELES

By: 
RONALD O. NICHOLS
General Manager


Date: 7/3/13

And: 
BARBARA E. MOSCHOS
Secretary

APPROVED AS TO FORM AND LEGALITY
CARMEN A. TRUTANICH, CITY ATTORNEY

By: 
Julie Conboy Riley
Deputy City Attorney

MAMMOTH COMMUNITY WATER DISTRICT

By: 
Thomas Smith, President of the Board of
Directors

Date: 7/11/10

Attest:


By: 
Patrick Hayes, Secretary to the
Board of Directors

EXHIBIT A
Example of Accrual of Consumptive Use Savings Credits

(1) Year	(2) Total MCWD use* (examples)	(3) MCWD Cons. Use* =(2)*40.55%	(4) Cons. Use Savings* =1,779-(3)	(5) CPI (examples)	(6) Escalation factor =min(3%,CPI)	(7) Escalation of c.u. savings balance* =(6)*prev.yr.(8)	(8) c.u savings credit balance* =prev.yr.(8) + (4) + (7)
2014	3,000	1,217	563	0.025	0.025	0	563
2015	3,100	1,257	522	0.030	0.030	17	1,101
2016	3,200	1,298	481	0.035	0.030	33	1,616
2017	3,300	1,338	441	0.040	0.030	48	2,105
2018	3,400	1,379	400	0.050	0.030	63	2,569
2019	3,500	1,419	360	0.060	0.030	77	3,005
2020	3,600	1,460	319	0.055	0.030	90	3,415
2021	3,700	1,500	279	0.025	0.025	85	3,779
2022	4,000	1,622	157	0.030	0.030	113	4,049
2023	4,200	1,703	76	0.045	0.030	121	4,246
2024	4,250	1,723	56	0.025	0.025	106	4,408
2025	4,300	1,744	35	0.070	0.030	132	4,576
2026	4,387	1,779	0	0.080	0.030	137	4,713
2027	4,250	1,723	56	0.060	0.030	141	4,910
2028	4,387	1,779	0	0.050	0.030	147	5,058
2029	4,300	1,744	35	0.025	0.025	126	5,219
2030	4,387	1,779	0	0.020	0.020	104	5,324
2031	4,387	1,779	0	0.025	0.025	133	5,457
2032	4,350	1,764	15	0.030	0.030	164	5,636
2033	4,387	1,779	0	0.035	0.030	169	5,805
2034	4,300	1,744	35	0.040	0.030	174	6,014
2035	4,350	1,764	15	0.050	0.030	180	6,210
2036	4,387	1,779	0	0.060	0.030	186	6,396
2037	4,350	1,764	15	0.055	0.030	192	6,603
2038	4,300	1,744	35	0.025	0.025	165	6,804
2039	4,300	1,744	35	0.030	0.030	204	7,043
2040	4,387	1,779	0	0.045	0.030	211	7,255
2041	4,250	1,723	56	0.025	0.025	181	7,492
2042	4,387	1,779	0	0.070	0.030	225	7,716
2043	4,300	1,744	35	0.080	0.030	231	7,983
2044	4,387	1,779	0	0.060	0.030	239	8,223
2045	4,387	1,779	0	0.050	0.030	247	8,470
2046	4,350	1,764	15	0.025	0.025	212	8,696
2047	4,387	1,779	0	0.020	0.020	174	8,870
2048	4,300	1,744	35	0.030	0.030	266	9,172
2049	4,350	1,764	15	0.025	0.025	229	9,416
2050	4,387	1,779	0	0.020	0.020	188	9,605
2051	4,350	1,764	15	0.040	0.030	288	9,908
2052	4,300	1,744	35	0.030	0.030	297	10,240
2053	4,387	1,779	0	0.035	0.030	307	10,548
2054	4,387	1,779	0	0.025	0.025	264	10,811
2055	4,300	1,744	35	0.030	0.030	324	11,171
2056	4,387	1,779	0	0.060	0.030	335	11,506
2057	4,250	1,723	56	0.040	0.030	345	11,907
2058	4,387	1,779	0	0.030	0.030	357	12,264
2059	4,300	1,744	35	0.025	0.025	307	12,606
2060	4,387	1,779	0	0.020	0.020	252	12,859
2061	4,387	1,779	0	0.025	0.025	321	13,180
2062	4,350	1,764	15	0.070	0.030	395	13,591
2063	4,387	1,779	0	0.035	0.030	408	13,998

- Notes:**
1. Total metered MCWD water use numbers in column (2) are examples. Actual use amounts will need to be filled in each year.
 2. CPI numbers in column (5) are examples. Actual CPI numbers will need to be filled in each year.
 3. *Columns 2, 3, 4, 7 and 8 are in acre-feet.

EXHIBIT B
Example of Use of Consumptive Use Savings Credits

(1) Year	(2) Total MCWD use* (examples) = (2)*40.55%	(3) MCWD Cons. Use* (examples) = (2)*40.55%	(4) CPI (examples)	(5) Escalation factor = min(3%, CPI)	(6) Escalation of c.u. savings balance* = (5)*prev.yr.(7)	(7) c.u. savings credit balance* = prev.yr.(7) -(3) + (6)
2063						13,998
2064	4,000	1,622	0.025	0.025	350	12,726
2065	4,200	1,703	0.030	0.030	382	11,405
2066	4,387	1,779	0.035	0.030	342	9,968
2067	4,387	1,779	0.040	0.030	299	8,488
2068	4,200	1,703	0.060	0.030	255	7,039
2069	4,387	1,779	0.070	0.030	211	5,472
2070	4,387	1,779	0.040	0.030	164	3,857
2071	4,200	1,703	0.030	0.030	116	2,270
2072	4,387	1,779	0.035	0.030	68	559
2073	4,387	1,779	0.020	0.020	11	-1,209

- Notes:**
1. Total metered MCWD water use numbers in column (2) are examples. Actual use amounts will need to be filled in each year.
 2. CPI numbers in column (4) are examples. Actual CPI numbers will need to be filled in each year.
 3. In no event, shall the Extended Primary Term exceed ten (10) years, and this shall be the case even if the consumptive use credit balance remains a positive number at the expiration of ten (10) years.
 4. *Columns 2, 3, 6 and 7 are in acre-feet.