

1 RUTAN & TUCKER, LLP  
Jeffrey M. Oderman (State Bar No. 63765)  
2 joderman@rutan.com  
Douglas J. Dennington (State Bar No. 173447)  
3 ddennington@rutan.com  
611 Anton Boulevard, Suite 1400  
4 Costa Mesa, California 92626-1931  
Telephone: 714-641-5100  
5 Facsimile: 714-546-9035

**EXEMPT FROM FILING FEES  
PER GOVERNMENT CODE § 6103**

6 Attorneys for Plaintiff  
CASITAS MUNICIPAL WATER DISTRICT AND  
7 CASITAS MUNICIPAL WATER DISTRICT  
COMMUNITY FACILITIES DISTRICT  
8 NO. 2013-1 (OJAI)

SUPERIOR COURT OF THE STATE OF CALIFORNIA

9  
10 FOR THE COUNTY OF VENTURA

11 CASITAS MUNICIPAL WATER DISTRICT;  
12 and CASITAS MUNICIPAL WATER  
DISTRICT COMMUNITY FACILITIES  
13 DISTRICT NO. 2013-1 (OJAI),

14 Plaintiffs,

15 vs.

16 GOLDEN STATE WATER COMPANY, a  
California corporation, and DOES 1 through 50,  
17 inclusive,

18 Defendant.

Case No.

**PLAINTIFFS' COMPLAINT: 1) IN  
EMINENT DOMAIN; AND 2) FOR  
LITIGATION EXPENSES AND DAMAGES  
PURSUANT TO C.C.P. § 526b**

Date Action Filed:  
Trial Date:

19  
20 Plaintiff Casitas Municipal Water District and Casitas Municipal Water District  
21 Community Facilities District No. 2013-1 (OJAI) (collectively, "Plaintiffs") complain of  
22 Defendants and alleges as follows:

23 **THE PARTIES**

24 1. Plaintiff CASITAS MUNICIPAL WATER DISTRICT ("CMWD") is now, and at  
25 all times mentioned herein has been, a county water district duly created and existing under the  
26 laws of the State of California. CMWD has the authority to acquire property by eminent domain  
27 under Water Code §§ 71693 and 71694.

28 2. Plaintiff CASITAS MUNICIPAL WATER DISTRICT COMMUNITY

1 FACILITIES DISTRICT No. 2013-1 (OJAI) (“Casitas CFD”) is a Community Facilities District  
2 formed by CMWD duly created and existing under the laws of the State of California.

3 3. Defendant GOLDEN STATE WATER COMPANY (“GSW”) is now, and at all  
4 times mentioned herein has been, a California corporation, and, to the best of CMWD’s  
5 knowledge, the owner of the property interests sought to be condemned herein.

6 4. The names and capacities of all Defendants, so far as the same are presently known  
7 to Plaintiffs, are set forth in full in the caption of this Complaint, and are incorporated by reference  
8 as though fully set forth herein. Plaintiffs will amend this Complaint to add additional named  
9 Defendants or to amend the capacities of the Defendants as the same may be ascertained.

10 5. Plaintiffs are informed and believe and thereon allege that Defendants Does 1  
11 through 50, inclusive, each have or claim to have an interest in the Subject Property, the exact  
12 nature of which interest is currently unknown to Plaintiff. The true names and capacities, whether  
13 individual, corporate, or otherwise, of Defendants Does 1 through 50, inclusive, are unknown to  
14 Plaintiff, who therefore sues said Defendants by such fictitious names. Plaintiffs will amend this  
15 Complaint to show their true names and capacities when the same have been ascertained.

16 **FIRST CAUSE OF ACTION**

17 **In Eminent Domain**

18 **(By CMWD Against All Defendants)**

19 6. CMWD incorporates by this reference each and every allegation set forth in  
20 Paragraphs 1 through 5, inclusive, of this Complaint as if set forth in full herein.

21 7. In this action, CMWD seeks to acquire by eminent domain the property interests  
22 described in Resolution No. 16-06 attached hereto as Exhibit “A” and incorporated herein by this  
23 reference (“Resolution No. 16-06”). The property interests CMWD seeks to acquire are situated  
24 within Plaintiff’s boundaries within the Ojai area of Ventura County, California, and are further  
25 described in Exhibit “1” to Resolution No. 16-06 and the attachments to said Exhibit 1  
26 (collectively, the “Subject Property”). Prior to the adoption of Resolution No. 16-06, CMWD  
27 sought GSW’s cooperation and assistance with respect to identifying the specific assets, facilities,  
28 easements and other property interests GSW owns and operates within the Ojai Service Area.

1 GSW refused to so cooperate, requiring CMWD to identify such interests through a  
2 comprehensive title search, public records, filings by GSW with the California Public Utilities  
3 Commission (“CPUC”), and physical observations. CMWD will amend this Complaint in the  
4 event it discovers certain items need to be added or eliminated from the description of the Subject  
5 Property as identified herein.

6 8. CMWD seeks to acquire the fullest extent of Defendants’ right, title, and interest  
7 in the Subject Property, excluding only: (1) Defendants’ working cash; (2) materials, supplies,  
8 and personal property (other than the Books and Records identified in Exhibit 1 to Resolution No.  
9 16-06) that are not appurtenant to the real property or facilities included within the Subject  
10 Property; and 3) intangible property such as trademarks, service marks and similar intangible  
11 property interests.

12 9. CMWD’s purpose for acquiring the Subject Property is to convert GSW’s privately  
13 owned and operated water distribution system into a publicly owned and operated water  
14 distribution system (the “Proposed Public Use”).

15 10. CMWD appraised the Subject Property and on or about February 26, 2016,  
16 presented an offer of just compensation to GSW for purchase of the Subject Property in an amount  
17 not less than the amount of GSW’s approved appraisal, in accordance with applicable  
18 requirements of law. CMWD attempted to negotiate the acquisition of the Subject Property, but  
19 negotiations were not successful, requiring this acquisition by eminent domain.

20 11. Prior to commencement of this action, on April 13, 2016, and after providing the  
21 notice and conducting a hearing as required by Code of Civil Procedure § 1245.235, CMWD’s  
22 Board of Directors (“Board”) duly and regularly adopted its Resolution No. 16-06 authorizing and  
23 directing the acquisition of the Subject Property by eminent domain, and declaring the public  
24 interest and necessity therefor. Resolution No. 16-06 was passed and adopted by no less than two-  
25 thirds of the eligible members of CMWD’s Board of Directors as required by Code of Civil  
26 Procedure § 1245.240.

27 12. CMWD’s Board of Directors found and determined in Resolution No. 16-06 that:  
28 a) The public interest and necessity require the Proposed Public Use;

- 1           b)       The Proposed Public Use is planned and located in the manner most compatible  
2                 with the greatest public good and least private injury;
- 3           c)       The Subject Property sought to be acquired is necessary for the Proposed Public  
4                 Use;
- 5           d)       The Proposed Public Use is a more necessary public use pursuant to California  
6                 Code of Civil Procedure §§ 1240.610 et seq.;
- 7           e)       The offer required by California Government Code § 7267.2(a), together with the  
8                 accompanying statement of and summary of the basis for the amount established as  
9                 just compensation, was made to Defendants;
- 10          f)       CMWD has statutory authority to acquire the Subject Property by eminent domain;
- 11          g)       CMWD has complied with all conditions and statutory requirements necessary to  
12                 exercise the power of eminent domain to acquire the Subject Property; and
- 13          h)       The Proposed Public Use seeking to convert a privately-held water distribution  
14                 system into a publicly-held and operated water distribution system will have no  
15                 direct or indirect impact on the physical environment and, thus, is not subject to the  
16                 California Environmental Quality Act (“CEQA”).

17          13.       Pursuant to provisions of Section 1260.220(b) of the Code of Civil Procedure, if  
18 multiple Defendants make a claim to portions of the just compensation amount to be paid, CMWD  
19 requests that the amount of compensation be first determined between CMWD and all Defendants  
20 claiming an interest in the Subject Property prior to the determination as to how such just  
21 compensation amount is allocated between or among said Defendants.

22          14.       Maps generally depicting the GSW Ojai service area and the location of the real  
23 property included within the Subject Property are attached hereto as Exhibit “B.”

24   **SECOND CAUSE OF ACTION**

25   **For Litigation Expenses and Damages Under C.C.P. § 526b**

26   **(By CMWD and Casitas CFD Against All Defendants)**

27          15.       Plaintiffs incorporate by this reference each and every allegation set forth in  
28 Paragraphs 1 through 14, inclusive, of this Complaint, as if set forth in full herein.

1           16.     In order to procure funding for acquisition of the Subject Property, on March 13,  
2 2013, CMWD's Board held a hearing to consider the formation of the Casitas CFD, and adopted  
3 the following three resolutions:

- 4           a)     Resolution No. 13-12, establishing the Casitas CFD and authorizing the  
5                 levy of a special tax against properties within the boundaries of the CFD;
- 6           b)     Resolution No. 13-13, declaring the necessity to issue up to \$60 Million in  
7                 bond funds to finance the acquisition of the Subject Property; and
- 8           c)     Resolution No. 13-14, calling a special election to take place on August 27,  
9                 2013, on the question of whether the above-referenced bonds could be  
10                issued and a special tax imposed to pay for said bond debt.

11           17.     On or about March 26, 2013, GSW filed a lawsuit against CMWD and Casitas  
12 CFD in the Ventura County Superior Court, entitled *Golden State Water Co. v. Casitas Municipal*  
13 *Water Dist. et al.*, VCSC Case No. 56-2013-00433986-CU-WM-VTA (the "Bond Litigation").

14           18.     In the Bond Litigation, GSW sought:

- 15           a)     the issuance of a peremptory writ of mandate compelling Plaintiff to vacate  
16                 and set aside Resolution Nos. 13-12, 13-13, and 13-14;
- 17           b)     the issuance of a peremptory writ of mandate dissolving the Casitas CFD;
- 18           c)     a judicial declaration that Resolution Nos. 13-12, 13-13 and 13-14 were  
19                 invalid;
- 20           d)     preliminary and permanent injunctive relief "enjoining and prohibiting" the  
21                 August 27, 2013 election from going forward; and
- 22           e)     preliminary and permanent injunctive relief "enjoining and prohibiting"  
23                 Plaintiff from incurring bond indebtedness to finance the CFD as provided  
24                 in Resolution No. 13-13.

25           19.     On April 10, 2013, CMWD's Board adopted Resolution No. 13-16, amending and  
26 restating Resolution No. 13-14. The amendments included minor technical revisions to the  
27 previously-adopted Resolution No. 13-14.

28           20.     On or about June 10, 2013, the trial court in the Bond Litigation held a hearing on

1 GSW's request to invalidate the bond issuance and special taxes and to preclude the August 27<sup>th</sup>  
2 election from going forward. At that hearing, the Court declined to rule on the merits of GSW's  
3 claims until after the August 27<sup>th</sup> election, and denied GSW's request to prevent the election from  
4 going forward.

5 21. On or about August 27, 2013, the voters overwhelmingly (by more than 87% of the  
6 total votes cast) approved the issuance of up to \$60 million in bonds and the special tax to be  
7 levied to pay off the bond indebtedness.

8 22. On or about February 24, 2014, the trial court in the Bond Litigation held a trial on  
9 GSW's petition for writ of mandate, and took the matter under submission. On or about March  
10 13, 2014, after considering the evidence and argument presented by all parties, the trial court  
11 rejected GSW's claims in their entirety and, specifically, denied GSW's petition for a peremptory  
12 writ seeking to:

- 13 a) vacate Resolution Nos. 13-12, 13-13 and 13-14 (as amended and restated in  
14 Resolution No. 13-16) passed on March 13, 2013;
- 15 b) dissolve Casitas CFD;
- 16 c) declare CMWD's Resolution Nos. 13-12, 13-13 and 13-14 (as amended)  
17 invalid;
- 18 d) enjoin CMWD and Casitas CFD from incurring bond indebtedness to  
19 finance the CFD as provided in CMWD's Resolution Nos. 13-13 and 13-14  
20 (as amended).

21 23. Upon the trial court's denial of GSW's declaratory and injunctive relief claims,  
22 GSW appealed the trial court's ruling to the Second Appellate District (Division 6). On or about  
23 April 14, 2015, the Court of Appeal issued a published opinion, denying GSW's claims in their  
24 entirety and affirming the trial court's rulings denying GSW's claims for injunctive and  
25 declaratory relief. (*Golden State Water Company v. Casitas Municipal Water District* (2015) 235  
26 Cal.App.4<sup>th</sup> 1246.)

27 24. Thereafter, GSW sought review of the Court of Appeal's decision with the  
28 California Supreme Court. On July 29, 2015, the California Supreme Court denied GSW's

1 Petition for Review. Thereafter, the Court of Appeal issued its remittitur on July 30, 2015,  
2 rendering the Court of Appeal’s judgment final.

3         25. Code of Civil Procedure § 526b provides in pertinent part that any “person or  
4 corporation” who bring[s], instigat[es], excit[es] or abet[s] any suit to obtain an injunction,  
5 restraining or enjoining the issuance . . . of bonds . . . of any . . . district organized under the laws  
6 of this state . . . for the purpose of acquiring, constructing, completing, improving or extending  
7 water works . . . shall, if the injunction sought is fully denied, and if such person or corporation  
8 owns, controls, or is operating or interested in, a public utility business of the same nature as that  
9 for which such bonds . . . are proposed to be issued, . . . liable to the defendant for all costs,  
10 damages and necessary expenses resulting to such defendant by reason of the filing of such suit.”  
11 In *Sacramento Municipal Utility Dist. v. Pacific Gas & Electric Co.* (1942) 20 Cal.2d 684, the  
12 California Supreme Court upheld the constitutionality of Code of Civil Procedure § 526b and  
13 further held that the “costs, damages and necessary expenses” authorized in section 526b includes  
14 attorney’s fees and costs incurred in defending the injunctive relief proceeding.

15         26. As set forth hereinabove, GSW filed the Bond Litigation against CMWD and  
16 Casitas CFD seeking injunctive and other equitable relief to restrain and enjoin the issuance of  
17 bonds for the purpose of acquiring GSW’s water works facilities and property interests in its Ojai  
18 Service Area. GSW’s requests for injunctive relief were “fully denied” in the Bond Litigation.  
19 GSW owns, controls and operates a business “of the same nature” as that for which the bonds  
20 were proposed to be issued—indeed, GSW owns the very same facilities and property interests  
21 CMWD and Casitas CFD are seeking to acquire through the proposed bond issuances at issue in  
22 the Bond Litigation. As such, GSW is liable to Plaintiffs for all “costs, damages and necessary  
23 expenses” incurred by Plaintiffs on account of the Bond Litigation.

24         27. As a result of the Bond Litigation, CMWD and Casitas CFD collectively incurred  
25 no less than \$151,000.00 in attorney’s fees and costs for which GSW is liable under Code of Civil  
26 Procedure § 526b.

27         28. In addition to the above-described litigation expenses, the Bond Litigation  
28 necessarily precluded CMWD from moving forward with its acquisition of the Subject Property

1 from August 27, 2013 (when the electorate approved the issuance of bonds to fund the acquisition)  
2 to July 30, 2015 (when the Bond Litigation was finally concluded) CMWD and Casitas CFD are  
3 informed and believe and based thereon allege that the fair market value of the Subject Property  
4 has increased and will increase during the 23 month and 3-day period that the Bond Litigation  
5 delayed CMWD from proceeding to acquire the Subject Property and that CMWD and Casitas  
6 CFD will incur other “delay damages” as well, including without limitation additional financing  
7 and borrowing costs relating to the bonds. CMWD seeks to recover these costs, damages, and  
8 expenses in an amount according to proof at trial.

9 WHEREFORE, Plaintiff prays for judgment as follows:

10 1) As to the First Cause of Action in Eminent Domain:

- 11 a. That the Subject Property be condemned to CMWD for the purposes set  
12 forth in Resolution No. 16-06;
- 13 b. That just compensation for the taking be ascertained and assessed and the  
14 amount of the award for the Subject Property be determined between  
15 CMWD and all Defendants claiming any interest in the Subject Property;
- 16 c. That upon appropriate application CMWD be granted prejudgment  
17 possession of the Subject Property upon compliance with applicable law;  
18 and

19 2) As to the Second Cause of Action for Litigation Expenses and Damages Under  
20 Code of Civil Procedure § 526b:

- 21 a. For litigation expenses and costs incurred in the Bond Litigation in an  
22 amount not less than \$151,000;
- 23 b. For all costs, damages, and expenses that CMWD and Casitas CFD have  
24 incurred or will incur to acquire the Subject Property that were or are  
25 proximately caused by the Bond Litigation, including without limitation (i)  
26 any increase in fair market value of the Subject Property between the date  
27 that is 23 months and 3 days prior to the “date of value” on CMWD’s  
28 eminent domain cause of action (based on Code of Civil Procedure Section



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1263.110 *et seq.*) and the date of value on CMWD's eminent domain cause of action and (ii) any additional financing and borrowing costs relating to the bonds; and

c. For litigation expenses and costs incurred in this proceeding to recover all damages, costs and expenses incurred by CMWD and Casitas CFD in and with respect to the Bond Litigation.


3) As to All Causes of Action:

a. For litigation expenses and costs as provided by law; and

b. For such other and further relief as the Court deems just and proper.

Dated: May 12, 2016

RUTAN & TUCKER, LLP  
JEFFREY M. ODERMAN

By: 

Jeffrey M. Oderman  
Attorneys for Plaintiff  
CASITAS MUNICIPAL WATER  
DISTRICT



**CASITAS MUNICIPAL WATER DISTRICT**

**RESOLUTION NO. 16-06**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASITAS MUNICIPAL WATER DISTRICT DETERMINING THE PUBLIC INTEREST AND NECESSITY FOR ACQUISITION OF THE REAL PROPERTY AND BUSINESS ENTERPRISE OWNED BY GOLDEN STATE WATER COMPANY WITHIN GOLDEN STATE'S OJAI SERVICE AREA**

**WHEREAS**, the Casitas Municipal Water District ("CMWD") is authorized by California Water Code §§ 71693 and 71694 to utilize the power of eminent domain to acquire property necessary or proper for CMWD's works and to supply the land with sufficient water for all CMWD's purposes; and

**WHEREAS**, CMWD has been investigating for several years the possible acquisition of property owned by Golden State Water Company ("GSW") within GSW's Ojai Service Area, as described in an offer letter attached hereto as Exhibit "1" and incorporated herein by this reference (the "Property"), for the purpose of converting GSW's privately held water distribution system to a publicly held water distribution system owned and operated by CMWD (the "Proposed Public Use"); and

**WHEREAS**, in April 2011, a local citizens group, the Ojai Friends of Locally Owned Water ("Ojai Flow"), approached CMWD with a request that CMWD initiate proceedings to acquire and take over GSW's Ojai water utility, indicating that GSW's customers had experienced water rate increases of over 75% since 2008 on top of water rates that were already higher than those in surrounding communities; and

**WHEREAS**, Ojai Flow presented a financial feasibility analysis prepared by Richard Hajas (dated March 2011), which concluded that it was financially feasible to reduce the water rates of GSW's Ojai customers if CMWD were to acquire the system and replace GSW as the operator of the system; and

**WHEREAS**, in June 2011, Ojai Flow presented petitions to CMWD signed by approximately 1,900 of GSW's Ojai customers requesting CMWD to consider the acquisition and to give GSW's Ojai customers the opportunity to vote on paying for the acquisition of GSW's Ojai system; and

**WHEREAS**, on January 29, 2013, CMWD's Board of Directors ("Board") considered taking the necessary action to form a Community Facilities District ("CFD") for the acquisition of the property and facilities owned and held by GSW in its Ojai service area;

**WHEREAS**, at the conclusion of the hearing on January 29, 2013, CMWD's Board:

1. Approved CMWD's Local Goals and Policies for Use of Mello-Roos Community Facilities District Act of 1982;

2. Adopted a Resolution of Intention to Establish Community Facilities District No. 20013-1 (Ojai) and to Authorize the Levy of Special Taxes Therein;

3. Adopted a Resolution Declaring the CMWD Board of Director's Intention to Reimburse Expenditures from the Proceeds of Certain Community Facilities District Bond Obligations; and

4. Set a public hearing for March 13, 2013, to consider and finally determine whether to approve the Rate and Method of Apportionment for the proposed CFD, approve the maximum special tax that can be imposed on properties within the boundaries of the CFD to support the acquisition of the GSW Ojai water system and fund capital improvements to that system, proceed with formation of the CFD, and schedule a special election at which the voters in the proposed CFD would have the opportunity to vote on whether or not to approve those actions; and

**WHEREAS**, on March 13, 2013, CMWD's Board held a public hearing to consider formation of the CFD, and adopted 3 resolutions:

1. Resolution No. 13-12, establishing the CFD, listing the property and facilities to be acquired (the "Facilities"), and authorizing the levy of a special tax against properties within the boundaries of the CFD;

2. Resolution No. 13-13, declaring the necessity to issue up to \$60 million in CFD bonds to finance the cost of the Facilities, and submitting the question of incurring bond debt to an election; and

3. Resolution No. 13-14, calling a special election for August 27, 2013, on the question of issuing CFD bonds and levying CFD special taxes to pay the bond debt; and

**WHEREAS**, on April 10, 2013, the Board adopted its Resolution No. 13-16, which made slight revisions to the ballot language previously approved in Resolution No. 13-14; and

**WHEREAS**, on March 26, 2013, GSW filed a lawsuit against CMWD and all persons interested in the matter of the Board's adoption of the aforementioned resolutions in Ventura County Superior Court (Case No. 56-2013-00433986-CU-WM-VTA) seeking to invalidate the actions taken by the CMWD Board in forming the CFD and seeking to enjoin and prohibit CMWD from conducting the August 27, 2013, special election, issuing the CFD bonds, and imposing CFD special taxes; and

**WHEREAS**, the Ventura County Superior Court declined to take action on GSW's lawsuit until after the August 27<sup>th</sup> election; and

**WHEREAS**, on August 27, 2013, the special election took place and 87.42% of the ballots cast were cast in favor of the CFD, including the issuance of CFD bonds and the levying of special taxes to finance the Proposed Public Use; and

**WHEREAS**, GSW's lawsuit attempting to invalidate the formation of the CFD went to trial in early 2014 and the trial court ruled in favor of CMWD and against GSW on all claims;

**WHEREAS**, GSW filed an appeal of the trial court's decision and, on April 14, 2015, the Second District Court of Appeal issued its published opinion affirming the trial court's decision and denying GSW's appeal (*Golden State Water Company v. Casitas Municipal Water District* (2015) 235 Cal.App.4<sup>th</sup> 1246); and

**WHEREAS**, CMWD commissioned an appraisal of the Property for the purpose of initiating negotiations with GSW for CMWD's acquisition of the Property and in compliance with California Government Code § 7267.2; and

**WHEREAS**, pursuant to California Government Code § 7267.2, CMWD has obtained an appraisal of the Property to be acquired and has made an offer to GSW for the full amount set forth in the appraisal (attached hereto as Exhibit "1"); and

**WHEREAS**, on April 13, 2016, after no less than fifteen (15) days written notice to GSW, the record owner of the Property, the Board of Directors of CMWD held a hearing for the purpose of allowing the record owner a reasonable opportunity to appear and be heard on the following matters:

1. Whether the public interest and necessity require the Proposed Public Use;
2. Whether the Proposed Public Use is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
3. Whether the Property sought to be acquired is necessary for the Proposed Public Use; and
4. Whether the offer required by Section 7267.2 of the California Government Code has been made to the owner of record; and

**WHEREAS**, CMWD's Board, as a result of such hearing, has determined that the Proposed Public Use will serve the public interest in that it will result in lower water rates and charges in GSW's Ojai Service Area, and the privately-held water distribution system will become subject to the political process, resulting in greater citizen control over water rates and charges and the overall operation of the system; and

**WHEREAS**, CMWD's Board has further determined that the public health, safety and welfare require that CMWD acquire the Property for the purposes of carrying out the Proposed Public Use;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Casitas Municipal Water District as follows:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Proposed Public Use for which the Property is sought to be acquired is the conversion of GSW's privately-held water distribution facility enterprise in its Ojai Service Area to public ownership under the control of CMWD.

SECTION 3. The property interests to be acquired are described in the offer letter and attachments thereto attached hereto as Exhibit "1" and incorporated herein as set forth in full.

SECTION 4. The public interest and necessity require the Proposed Public Use for the reasons set forth in the April 13, 2016 staff report to the Board from Steve Wickstrum, CMWD's General Manager, and Jeffrey M. Oderman, CMWD's special counsel to the Board (including the exhibits referred to therein) (collectively, the "Staff Report") and for the reasons expressed by staff and members of the public in favor of the acquisition at the April 13, 2016 Board meeting.

SECTION 5. The Proposed Public Use is planned and located in a manner most compatible with the greatest public good and the least private injury for the reasons set forth in the Staff Report.

SECTION 6. The Property is necessary for the Proposed Public Use for the reasons set forth in the Staff Report.

SECTION 7. The Proposed Public Use is a more necessary public use pursuant to California Code of Civil Procedure §§ 1240.610 *et seq.*, for the reasons set forth in the Staff Report.

SECTION 8. The offer required by California Government Code § 7267.2(a), together with the accompanying statement of and summary of the basis for the amount established as just compensation, was made to GSW, which offer and accompanying statement/summary were in a form and contained all of the factual disclosures provided by California Government Code § 7267.2(a). The offer letter and summary basis for the amount established as just compensation is attached hereto as Exhibit "1." CMWD's special counsel has attempted to negotiate with GSW subsequent to this offer, but such negotiations have not proved successful in securing the necessary property interests outside of more formal proceedings.

SECTION 9. CMWD has statutory authority to acquire the Property and is authorized to acquire the Property pursuant to California Water Code §§ 71693-71694 and California Code of Civil Procedure §§ 1240.410 *et seq.* and §§ 1240.610 *et seq.*

SECTION 10. CMWD has complied with all conditions and statutory requirements necessary to exercise the power of eminent domain (the "right to take") to acquire the Property, as well as any other matter regarding the right to take the Property by eminent domain.

SECTION 11. The Proposed Public Use is not a "project" subject to the California Environmental Quality Act for the reasons set forth in the Staff Report.

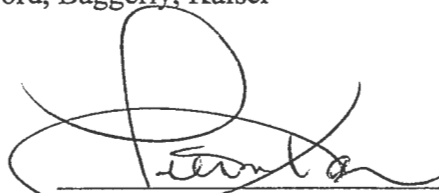
SECTION 12. The law firm of Rutan & Tucker, LLP, special counsel for the District, is hereby authorized to prepare and prosecute in the name of CMWD such special

proceedings in the proper court having jurisdiction thereof as are necessary for acquisition of the Property described herein, and to prepare and file such pleadings, documents, and otherwise prosecute such actions as may be necessary in the opinion of such attorneys to acquire the Property for CMWD. Such attorneys are specifically authorized to take whatever steps and/or procedures available to them under the Eminent Domain Law of the State of California, including, but not limited to, seeking orders for prejudgment possession of the Property. CMWD staff is further authorized to take any appropriate action consistent with the purposes of this Resolution.

\* \* \* \* \*


PASSED AND ADOPTED by the Board of Directors of the Casitas Municipal Water District, County of Ventura, State of California, on the 13<sup>th</sup> day of April, 2016 by the following vote of the members thereof:

AYES: Bergen, Hicks, Word, Baggerly, Kaiser  
NOES: None  
ABSENT: None



Pete Kaiser, President  
Casitas Municipal Water District

ATTEST:

  
James W. Word, Secretary  
Casitas Municipal Water District





February 26, 2016

**VIA E-MAIL AND**  
**FIRST CLASS MAIL**

George M. Soneff, Esq.  
Manatt, Phelps & Phillips, LLP  
11355 W. Olympic Blvd.  
Los Angeles, CA 90064

Re: Golden State Water Company's Ojai Service Area; Purchase Offer

Dear Mr. Soneff:

I am writing to you in your capacity as the attorney for the Golden State Water Company ("GSW"). If you prefer that I send a copy of this letter to some other person or persons at GSW, please provide me with his/her/their contact information and I will do so.

As you know, Rutan & Tucker LLP represents the Casitas Municipal Water District ("CMWD"). As I stated in my November 17, 2015, CMWD desires to acquire the tangible and incidental intangible property and property rights and assets owned or held by GSW with respect to GSW's Ojai service area (collectively, and as more particularly described below, the "Subject Property"), in accordance with Resolution No. 13-12 adopted by CMWD's Board of Directors on March 13, 2013. The purpose of CMWD's acquisition is to convert the privately owned and held GSW Ojai service area to public ownership and control (the "Proposed Public Use"). CMWD has now obtained an appraisal of the Subject Property. The appraisal was conducted by Bruce W. Hull & Associates Inc. and Bruce W. Hull, MAI, and Wayne Lusvardi, Associate. CMWD's Board of Directors has considered the appraisal of the Subject Property and has authorized me to present this offer of just compensation to you, on behalf of GSW. CMWD is offering the full amount reflected in the appraisal as the fair market value for the Subject Property.

***Description of Subject Property***

To reiterate what I stated in my November 17, 2015, letter, I wrote to you back on July 6, 2015, and followed up by email on September 17, 2015, requesting that GSW cooperate with CMWD in identifying GSW's assets in and with respect to its Ojai service area so that CMWD could better ensure that its appraisal "is as specific as possible and neither under-inclusive nor over-inclusive." In your September 24, 2015, reply you stated that GSW "has no interest in participating in a pre-condemnation asset review process." Accordingly, CMWD has made a diligent effort to identify the various elements comprising the Subject Property to the best of its ability based on the public resources available to it and, without limiting CMWD's right to add (or

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subtract) GSW property and property interests at a later date, the Subject Property addressed in this purchase offer includes, but is not limited to, the following:

1. Real Property Ownership Interests. Based on a preliminary title report prepared by First American Title Insurance Company, CMWD has identified the properties and easement rights described in Exhibit A to this letter as being owned by GSW that are part of the Subject Property and included within this purchase offer.

2. Facilities.

2.1 Wells. (1) Gorham Well 1; (2) Mutual Well 4; (3) Mutual Well 5; (4) San Antonio Well 3; (5) San Antonio Well 4; and (6) Mutual Well 3; in all cases including all appurtenant equipment and facilities attached or affixed to such well facilities, including without limitation generators, pressure filters, chemical storage and dosing equipment, buildings, and SCADA controls.

2.2 Storage Tanks. (1) Fairview; (2) Heidelberg; (3) Running Ridge 1; (4) Running Ridge 2; (5) San Antonio Forebay; and (6) Signal; in all cases including all appurtenant equipment and facilities attached or affixed to such storage tanks.

2.3 Hydro-Pneumatic Tanks. Heidelberg Hydro-Pneumatic Tank, including all appurtenant equipment and facilities attached or affixed to such tank.

2.4 Pumping Stations. CMWD's appraisers have identified five (5) pumping stations owned/operated by GSW that convey water from ground level tanks into the distribution system or from lower- to higher-pressure zones in the GSW system: Signal, Heidelberg, Fairview, Valley View, and San Antonio/Mutual Forebay. Each pumping station has two (2) pumps. The Fairview and San Antonio Booster Stations have one empty can for a full booster pump. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

2.5 Pressure Regulating and Control Stations. CMWD's appraisers have identified three (3) pressure regulating and control valve stations in the GSW system: at the Montana-Cuyama/CMWD Interconnection, at Saddle Lane, and Ventura Street. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

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2.6 Water Transmission and Distribution Pipelines. Based upon GSW's 2009 Master Plan, CMWD's appraisers have estimated there are approximately thirty-two (32) miles of pipelines in the GSW/Ojai system, consisting of the following: (1) approximately 24,475 linear feet of 4" pipe; (2) approximately 53,441 linear feet of 6" pipe; (3) approximately 71,077 linear feet of 8" pipe; (4) approximately 7,557 linear feet of 10" pipe; (5) approximately 15,628 linear feet of 12" pipe; and (6) approximately 341 linear feet of 16" pipe. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

2.7 Additions, Deletions, Alterations to GSW's Facilities. CMWD acknowledges that GSW's Ojai facilities are not static and change over time. CMWD believes the description of GSW's Ojai facilities in subparagraphs 2.1-2.6 is accurate and complete as of the date this letter is being delivered, but to the extent this letter inadvertently fails to expressly describe one or more of GSW's Ojai facilities or GSW adds to, improves, or alters its Ojai facilities after the date of this letter and before a final purchase is consummated, CMWD hereby notifies GSW that it desires to purchase all of GSW's Ojai facilities (except to the extent expressly excluded from this purchase offer) and if any such new, improved, or altered facility or facilities has not already been taken into consideration by CMWD's appraisers, CMWD is prepared to modify its appraisal and/or make an appropriate equitable adjustment to this purchase offer to account for such changes.

3. Easements, Franchise Rights, and Similar Interests. All of GSW's easements, licenses, rights-of-entry, franchise rights, and other similar property interests in and with respect to its Ojai service area, including without limitation all of GSW's rights (and obligations) as set forth in Ordinance No. 382 adopted by the City Council of the City of Ojai on May 8, 1967, as the same may have been amended from time to time (granting a franchise to Southern California Water Company).

4. Water Rights. All appropriate water rights, if any, of GSW in and with respect to its Ojai service area.

5. WRAM Account Balance. CMWD acknowledges that, based upon the Water Rate Adjustment Mechanism ("WRAM") billing system approved by the California Public Utilities Commission ("CPUC"), GSW may have an accrued right to collect additional fees and charges from its Ojai customers as of the date its Ojai utility is transferred to CMWD. CMWD's latest information is that GSW's total accrued WRAM account balance is approximately \$2,449,615 and that, if GSW were to continue to be the service provider in Ojai, it would be paid that amount (as

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a surcharge on water bills) over a period of 46 months. (GSW Advice Letter 1650-W, filed with CPUC on or about February 22, 2016). CMWD acknowledges that it is obligated to “make whole” GSW with respect to its accrued and unpaid WRAM account balance. Since the accrued balance in the WRAM account changes over time, however, this purchase offer is being expressed as the fair market value of the Subject Property *without* taking the WRAM account balance into consideration and, *in addition*, CMWD is offering to pay to GSW the accrued and unpaid WRAM account balance as of the date of transfer, with said amount discounted over the term it would otherwise be received by GSW through its billing system to the then-present value using a discount rate of 3% per annum.

6. Books and Records. All of GSW’s books and records (herein, collectively, “Records”) relating to its Ojai service area, including without limitation (1) all Records containing customer account information, including without limitation all customer billing records, payment records, delinquent payment history information, security deposit information, and the like; (2) all Records containing planning, design, and engineering information related to GSW’s Facilities in its Ojai service area (see clause (2) above), including without limitation plans and specifications, as-built drawings, CAD files, inspection, maintenance, and repair and replacement logs and reports; and (3) to the extent not addressed in clauses (1) and (2) of this subparagraph (6), all Records relating to the items listed in subparagraphs (1)-(5) above, inclusive. As used herein, the term “Records” includes all writings prepared, owned, used, or retained by GSW or any of its affiliated entities regardless of physical form or characteristics. As used herein, the term “writing” means any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored.

7. Prepaid Fees and Charges and Refundable Deposits. To the extent GSW possesses or holds any prepaid fees and charges or any refundable deposits from property owners, customers, or ratepayers as of the date its Ojai utility is transferred to CMWD (collectively, “Prepaid Funds”), CMWD intends to either (1) acquire such Prepaid Funds as part of the “Subject Property” or, alternatively, (2) deduct the amount of such Prepaid Funds from the just compensation amount to be paid.

***Certain GSW Assets Excluded from Definition of “Subject Property” Subject to this Purchase Offer***

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The following GSW assets, to the extent they exist with respect to GSW's Ojai service area, are expressly *excluded* from the definition of "Subject Property" and are *not* part of this purchase offer: (1) working cash; and (2) materials, supplies, and personal property other than the Records and Prepaid Funds identified in clauses (7) and (8) above that are not appurtenant or affixed to the real property identified in clause (1) above or the facilities identified in clause (2) above.

***Additional Information Relating to Appraisal of Subject Property***

Please be advised that the appraisers' determination of just compensation and this purchase offer are based in part upon the following:

1. Date of Value: January 15, 2016.
2. Highest and Best Use of the Subject Property: Continued existing use as water utility.
3. Applicable Zoning of Real Property Parcels: (1) APN 010-0-070-160—R-0-1 (1-acre); (2) APN 010-0-210-090 (R-A, Residential-Agricultural—Unincorporated Ventura County); (3) APN 020-0-010-010 (PL—Public/Quasi Public); (4) APN 020-0-011-020 (PL—Public/Quasi Public); (5) APN 028-0-080-050 (PL—Public/Quasi Public); and (6) APN 028-0-111-020 (R-1-1/2 (0.5 acre)).
4. Identification of Sales and Contracts to Sell Supporting the Determination of Value and Information Regarding Such Transactions. See Exhibit B to this letter.
5. Larger Parcel Issues. The appraisers have determined that the Subject Property is not a part of a larger parcel.

***Purchase Offer***

CMWD hereby offers to pay to GSW for the Subject Property the sum of: (1) Twenty-Three Million Seven Hundred Thousand Dollars (\$23,700,000); plus (2) the discounted present value of GSW's WRAM account balance calculated as set forth above; less (3) the amount of the Prepaid Funds. This is the full amount determined by CMWD to be just compensation and is not less than the amount of the appraisal obtained by CMWD. This amount is for all property interests; if there are multiple parties entitled to share in the payment of such amounts, allocation of the just

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compensation amount between or among GSW and other parties having an interest in the Subject Property will be GSW's responsibility.

Payment will be made when the title to the Subject Property vests in CMWD free and clear of all recorded and unrecorded liens, encumbrances, assessments, judgments, and taxes, except:

1. Taxes for the year in which the any real property assets are purchased, which shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code, if unpaid at the time escrow for the purchase closes;
2. Covenants, conditions, restrictions, and reservations of record that do not interfere with CMWD's proposed use of the real property assets and facilities acquired by CMWD, as reasonably determined by CMWD;
3. Easements or rights-of-way over the land for public or quasi-public utility or public street purposes, if any; and
4. Any other interests in the Property or exceptions to title appearing on a preliminary title report or litigation guarantee, which are accepted by CMWD in writing through escrow.

CMWD will pay all usual fees, charges, and costs, which arise out of the escrow.

In addition, pursuant to Code of Civil Procedure Section 1263.025, CMWD will reimburse GSW up to the amount of \$5,000.00 for the cost incurred by GSW to secure an independent appraisal of the Subject Property. If GSW wishes to take advantage of this reimbursement, please forward to the undersigned a copy of a paid invoice from an appraiser retained by GSW for this purpose. In order to qualify for this reimbursement, the appraiser selected must be a California Certified General Real Estate Appraiser in good standing.

If this offer is acceptable to GSW, please notify me in writing. Upon GSW's acceptance, CMWD will prepare and forward to you a formal purchase and sale agreement (herein, a "Purchase Agreement"). Upon CMWD's receipt of a Purchase Agreement consistent with the terms and conditions set forth in this letter, the matter will be presented to CMWD's Board of Directors for approval. It should be understood that this letter is not intended to contain all of the terms and conditions to be included in a Purchase Agreement and that no final agreement will be formed until a formal written Purchase Agreement has been approved and executed by both parties.

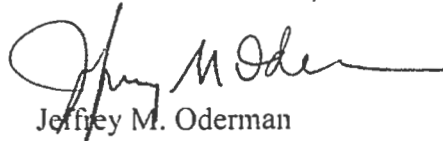
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If for any reason GSW is not satisfied with this offer of just compensation and it has relevant information regarding the value of the Subject Property it wishes to have CMWD consider, CMWD will be happy to do so. If you have such information, please contact me at 714-641-3441. CMWD is prepared to engage in meaningful discussions and negotiations with GSW regarding this purchase offer. In the event GSW rejects or fails to respond to this purchase offer and/or if subsequent discussions and negotiations fail to result in an executed Purchase Agreement, however, CMWD reserves the right to determine whether to acquire the Subject Property through exercise of CMWD's power of eminent domain. Before that decision is made CMWD is required by law to schedule a hearing to determine whether condemnation is justified in accordance with provisions of California's Eminent Domain Law (Code of Civil Procedure Section 1235.010 *et seq.*) and GSW is required to provide GSW with a minimum of 15 days prior notice of that hearing. If such a hearing is held and if CMWD's Board of Directors does determine at the conclusion of the hearing to acquire the Subject Property by eminent domain, GSW will have the right to have the amount of just compensation to be paid by CMWD for the Subject Property fixed by a court of law or a jury.

If GSW has any questions regarding this purchase offer, or wish to request any additional information, please contact me at your convenience. I previously provided CMWD's acquisition procedures to you with my November 17, 2015, letter. Please also let me know if GSW has any questions concerning those procedures.

Sincerely,

RUTAN & TUCKER, LLP



Jeffrey M. Oderman

JMO:mrs

cc: Steve Wickström, CMWD General Manager  
John Mathews, CMWD General Counsel



# EXHIBIT A

## LEGAL DESCRIPTION

Real property in the City of Ojai, County of Ventura, State of California, described as follows:

PARCEL 1: (TAX PARCEL 010-0-210-090)

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST, SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, DISTANT ALONG SAID WEST LINE NORTH 224.99 FEET FROM THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE IN A DIRECT LINE NORTH 20° 32' 30" EAST 162.03 FEET TO THE SOUTHERLY TERMINUS OF THE 5TH COURSE RECITED AS "SOUTH 30° 45' WEST 119.36 FEET" IN THE FIRST EXCEPTION IN PARCEL 1 IN THE DEED TO ARTHUR E. MIMANGO, ET WX., RECORDED JULY 09, 1961, AS DOCUMENT NO. 32376, IN BOOK 2025, PAGE 107 OF OFFICIAL RECORDS, AND BEING THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 62° 27' WEST 28.95 FEET; THENCE,

2ND - SOUTH 28° 51' 15" WEST 68.22 FEET TO THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE, IN A DIRECT LINE,

3RD - NORTH 74° 30' EAST 47.74 FEET TO A POINT IN THAT CERTAIN COURSES HEREINBEFORE RECITED AS HAVING A BEARING AND LENGTH OF "NORTH 20° 32' 30" WEST 162.03 FEET". DISTANT ALONG SAID CERTAIN COURSE SOUTH 20° 32' 30" WEST 35.88 FEET FROM THE NORTHERLY TERMINUS THEREOF; THENCE, ALONG SAID LAST MENTIONED COURSE,

4TH - NORTH 20° 32' 30" WEST 35.88 TO THE TRUE POINT OF BEGINNING.

PARCEL 2: (TAX PARCEL 010-0-070-160)

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST, SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, DISTANT ALONG SAID WEST LINE NORTH 1027.07 FEET FROM THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE SOUTH 80° 55' 45" EAST 669.09 FEET; THENCE NORTH 17° 40' 30" WEST 143.41 FEET TO THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 06° 30' 30" WEST 70 FEET; THENCE

2ND - SOUTH 69° 41' 00" EAST 68.37 FEET; THENCE,

3RD - SOUTH 17° 21' 30" WEST 43.93 FEET TO AN INTERSECTION WITH A LINE HAVING A BEARING OF NORTH 87° 26' 00" WEST AND WHICH PASSES THROUGH SAID TRUE POINT OF BEGINNING; THENCE, ALONG SAID LINE,

## EXHIBIT A

4TH - SOUTH 87° 26' 00" EAST 85.22 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3:

A NON-EXCLUSIVE EASEMENT AND RIGHT OF WAY UPON, OVER, UNDER THROUGH AND ACROSS THOSE PORTIONS OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, FOR THE PURPOSE OF INSTALLING ENLARGING, REPLACING, MAINTAINING AND OPERATING WATER PIPE LINES AND THEIR RESPECTIVE APPURTENANCES; AND FOR THE FURTHER PURPOSE OF INGRESS AND EGRESS AND PASSAGE ACROSS WITH ALL NECESSARY MATERIALS, TOOLS, SUPPLIES AND OTHER EQUIPMENT NECESSARY FOR THE INSTALLATION, ENLARGING, REPLACING, MAINTAINING AND OPERATING OF OTHER WATER SUPPLY FACILITIES, LOCATED ON ADJACENT LAND, DESCRIBED AS STRIPS A, B, C AND D AS FOLLOWS:

STRIP A:

A STRIP OF LAND 50 FEET IN WIDTH, LYING 25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, AT THE NORTHERLY TERMINUS OF FOOTHILL ROAD (FORMERLY FAIRVIEW ROAD) AS SAID ROAD IS SHOWN ON THE MAP OF FOOTHILLS PARK, RECORDED IN BOOK 5, PAGE 18 OF MAPS; THENCE ALONG THE NORTHERLY PROLONGATION'S OF SAID CENTERLINE NORTH 0° 25' EAST 395 FEET TO A POINT ON THE SOUTHERLY LINE OF THE LANDS DESCRIBED IN PARCEL 3, IN THE DEED TO PAULINE HEIDELBERGER, RECORDED MAY 22, 1956, AS DOCUMENT NO. 21917, IN BOOK 1407, PAGE 475, OF OFFICIAL RECORDS, SAID LAST POINT BEING THE TRUE POINT OF BEGINNING,

1ST - NORTH 16° 50' WEST 147.08 FEET; THENCE

2ND - NORTH 07° 43' 30" WEST 138.04; THENCE

3RD- NORTH 13° 12' EAST 76.06 FEET; THENCE

4TH - NORTH 25° 20' EAST 90.15 FEET; THENCE

5TH - NORTH 23° 43' 30" EAST 125.45 FEET; THENCE

6TH - NORTH 18° 15' 30" EAST 180.28 FEET; THENCE

7TH - NORTH 10° 19' 30" EAST 121.48 FEET; THENCE

8TH - NORTH 21° 04' 30" EAST 92.57 FEET TO THE SOUTH LINE OF THE LAS PADRES NATIONAL FOREST LANDS

STRIP B:

A STRIP OF LAND 50 FEET IN WIDTH, LYING 25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, SAID LINE BEING THE EAST LINE OF THE LAS PADRES NATIONAL FOREST LANDS, DISTANT ALONG SAID WESTERLY LINE NORTH 224.90

## EXHIBIT A

FEET FROM THE SOUTHWESTERLY CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE

1ST - NORTH 57° 47' EAST 13.44 FEET; THENCE

2ND - NORTH 68° 58' 30" EAST 136.04 FEET; THENCE

3RD - NORTH 87° 25' 15" EAST 66.06 FEET; THENCE

4TH - NORTH 65° 00' 15" EAST 197.65 FEET; THENCE

5TH - NORTH 34° 39' 15" EAST 91.03 FEET; THENCE

6TH - NORTH 30° 09' 15" EAST 197.88 FEET; THENCE

7TH - NORTH 14° 35' 15" EAST 100.69 FEET; THENCE

8TH - NORTH 40° 56' 45" EAST 136.49 FEET; THENCE

9TH - NORTH 24° 08' EAST 65.07 FEET; THENCE

10TH - NORTH 17° 40' 30" WEST 194.15 FEET; THENCE

11TH - NORTH 06° 50' 30" WEST 134.80 FEET; THENCE

12TH - NORTH 21° 23' EAST 128.43 FEET.

### STRIP C:

A STRIP OF LAND 20 FEET IN WIDTH, LYING 10 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, DISTANT ALONG SAID WESTERLY LINE 224.90 FEET FROM THE SOUTHWESTERLY CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE,

1ST - NORTH 20° 52' 50" EAST 162.03 FEET; THENCE

2ND - NORTH 50° 45' EAST 119.36 FEET; THENCE

3RD - NORTH 47° 53' EAST 141.59 FEET.

### STRIP D:

A STRIP OF LAND 30 FEET IN WIDTH, LYING 15 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, DISTANT ALONG SAID NORTHERLY LINE 541.71 FEET FROM THE NORTHEASTERLY CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE,

1ST - SOUTH 54° 59' 15" EAST 224.32 FEET; THENCE

## EXHIBIT A

2ND - SOUTH 78° 59' WEST 140.79 FEET.

PARCEL 4: (A PORTION OF TAX PARCEL 028-0-080-050)

THAT PORTION OF TRACT NO. 20 OF THE RANCHO OJAI, BARD SUBDIVISION RECORDED IN BOOK 5, PAGE 25 ½ OF MAPS ALSO BEING A PORTION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS GRANTED BY THE UNITED STATES OF AMERICA, TO FERNANDO TICO, BY LETTERS PATENT DATED DECEMBER 22, 1870 AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY IN BOOK A, PAGE 323 OF PATENTS (TRANSCRIBED RECORDS FROM SANTA BARBARA COUNTY) AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF THAT CERTAIN PUBLIC ROAD, 66 FEET WIDE, LOCALLY KNOWN AS THE CALLED GRAND AVENUE, AT THE NORTHWEST CORNER OF LOT 3 OF THE COREY TRACT, AS PER MAP RECORDED IN BOOK 5, PAGE 13 OF MAPS, RECORDS OF SAID COUNTY; FROM SAID POINT OF BEGINNING, BEING THE SOUTHEAST CORNER OF LOT 10 OF OLIVE TRACT, AS PER MAP RECORDED IN BOOK 3, PAGE 6 OF MAPS WHICH BEARS NORTH 16° 15' EAST 1.16 CHAINS DISTANT; SAID POINT OF BEGINNING BEING THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND AS CONVEYED TO W. M. ATWOOD BY DEED DATED OCTOBER 03, 1914, RECORDED IN BOOK 144, PAGE 448 OF DEEDS; THENCE FROM SAID POINT OF BEGINNING,

1ST - SOUTH 16° 15' WEST 3.61 CHAINS; THENCE

2ND - WEST 5.255 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

3RD - NORTH 3.47 CHAINS TO A POINT IN THE SOUTH LINE OF SAID GRAND AVENUE; THENCE ALONG SAME,

4TH - EAST 6.265 CHAINS TO THE POINT OF BEGINNING.

PARCEL 5: (REMAINDER OF TAX PARCEL 028-0-080-050)

THAT PORTION OF TRACT NO. 20 OF THE RANCHO OJAI, BARD SUBDIVISION RECORDED IN BOOK 5, PAGE 25 ½ OF MAPS ALSO BEING A PORTION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS GRANTED BY THE UNITED STATES OF AMERICA, TO FERNANDO TICO, BY LETTERS PATENT DATED DECEMBER 22, 1870 AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY IN BOOK A, PAGE 323 OF PATENTS (TRANSCRIBED RECORDS FROM SANTA BARBARA COUNTY) AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF THAT CERTAIN PUBLIC ROAD, 66 FEET WIDE, LOCALLY KNOWN AS THE CALLED GRAND AVENUE DISTANT 6.265 CHAINS FROM THE NORTHWEST CORNER OF LOT 3 OF THE COREY TRACT, AS PER MAP RECORDED IN BOOK 3, PAGE 13 OF MAPS, RECORDS OF SAID COUNTY, AND BEING ALSO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND AS CONVEYED TO EDWARD D. LIBBEY, AS BY DEED DATED OCTOBER 06, 1915, AND RECORDED IN BOOK 146, PAGE 251 OF DEEDS, THENCE FROM SAID POINT OF BEGINNING,

1ST - SOUTH 3.47 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

2ND - WEST 8.015 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

3RD - NORTH 3.47 CHAINS TO A POINT IN THE SOUTH LINE OF SAID GRAND AVENUE; THENCE ALONG SAME,

## EXHIBIT A

4TH - EAST 8.015 CHAINS TO THE POINT OF BEGINNING.

PARCEL 6: (TAX PARCEL 020-0-010-010)

A PORTION OF TRACT 8 OF THE BARD SUBDIVISION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGE 25 1/2 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PARCEL "A" AS SAID PARCEL IS DESCRIBED IN DEED TO FLORENCE SCOTT LIBBEY, DATED JANUARY 19, 1927 AND RECORDED IN BOOK 139, PAGE 130 OF OFFICIAL RECORDS, FROM WHICH A CROSS CUT IN THE TOP OF A STONE WALL AT THE NORTHWEST CORNER OF SAID PARCEL "A" BEARS SOUTH 70° 05 WEST 352.32 FEET AND RUNNING THENCE FROM SAID POINT OF BEGINNING,

1ST - NORTH 70° 05' EAST 288.00 FEET WITH THE NORTH LINE OF SAID PARCEL "A" TO A POINT; THENCE

2ND - SOUTH 00° 25' EAST 236.23 FEET TO A POINT; THENCE

3RD - SOUTH 89° 35' WEST 271.50 FEET TO A POINT; THENCE

4TH - NORTH 00° 25' WEST 140.16 FEET TO THE POINT OF BEGINNING.

PARCEL 7: (TAX PARCEL 028-0-111-020)

THAT PORTION OF LOT 3 OF THE COREY TRACT, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGE 13 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 4 OF THE SAID COREY TRACT, THE SAME BEING ALSO THE NORTHWESTERLY CORNER OF LANDS CONVEYED BY MILO E. WAITE, ET UX., TO JOHN L. CLOVER, ET UX., BY DEED DATED MARCH 31, 1903, AND RECORDED IN BOOK 87, PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY; THENCE ALONG THE WESTERLY LINE OF SAID PARCEL 3,

1ST - NORTH 16° 15' EAST 7.36 CHAINS TO THE NORTHWESTERLY CORNER OF SAID LOT 3; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 3,

2ND - NORTH 76° 00' EAST 300.00 FEET TO A POINT; THENCE ALONG A LINE PARALLEL TO THE WESTERLY LINE OF SAID LOT 3,

3RD - SOUTH 16° 15' WEST TO THE NORTH LINE OF THE LANDS DEEDED TO JOHN L. CLOVER, ET UX., BY DEED DATED MARCH 31, 1903, RECORDED IN BOOK 87, PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY; THENCE

4TH - NORTH 77° 00' WEST 260.00 FEET MORE OR LESS ALONG SAID LAS MENTIONED LINE TO THE POINT OF BEGINNING.

PARCEL 8: (TAX PARCEL 021-0-011-020)

THAT PORTION OF LOT 1 OF THE TRACT OF LAND OF THE RANCHO OJAI BEING A SUBDIVISION OF J.W. WOLFE, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF

## EXHIBIT A

CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 10 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON STANDARD SET IN THE WESTERLY LINE OF THAT CERTAIN PUBLIC ROAD LOCALLY KNOWN AS "WOLFE STREET", DISTANT WEST 25.00 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 1; THENCE FROM SAID POINT OF BEGINNING,

1ST - NORTH 50.00 FEET ALONG THE WEST LINE OF SAID WOLFE STREET TO A POINT; THENCE,

2ND - NORTH 45° WEST 70.71 FEET TO A POINT; THENCE,

3RD- WEST 179.30 FEET TO A POINT; THENCE

4TH - SOUTH 100.00 FEET TO A POINT IN THE SOUTH LINE OF SAID LOT 1; THENCE ALONG SAME,

5TH - EAST 229.30 FEET TO THE POINT OF BEGINNING, TOGETHER WITH THAT PORTION OF LOT 1 OF THE TRACT OF LAND OF THE RANCHO OJAI BEING A SUBDIVISION OF J.W. WOLFE, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 10 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON STANDARD SET IN THE WESTERLY LINE OF THAT CERTAIN PUBLIC ROAD LOCALLY KNOWN AS "WOLFE STREET", DISTANT WEST 25.00 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 1; THENCE FROM SAID POINT OF BEGINNING, NORTH 50.00 FEET ALONG THE WEST LINE OF SAID WOLFE STREET TO THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 45° WEST 70.71 FEET TO A POINT; THENCE,

2ND- WEST 179.30 FEET TO A POINT; THENCE

3RD - NORTH 5.00 FEET TO A POINT; THENCE

4th - EAST 229.30 FEET TO A POINT IN THE WEST LINE OF SIGNAL STREET (FORMERLY WOLFE STREET); THENCE,

5TH- SOUTH 55.00 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ANY PORTION OF SAID LAND LYING WITH PARCEL B OF PARCEL MAP FILED IN BOOK 17, PAGE 80 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AS SHOWN AS PARCEL B ON THE LOT LINE ADJUSTMENT, RECORDED APRIL 14, 2014, AS INSTRUMENT NO. 20040401-0097052, OF OFFICIAL RECORDS.

APN(s): 010-0-210-090; 010-0-070-160; 028-0-080-050; 020-0-010-010; 028-0-111-020 and 021-0-011-020

## EXHIBIT B

### COMPARABLE SALES TRANSACTIONS

	<u>Land Sale No. 1</u>	<u>Land Sale No. 2</u>	<u>Land Sale No. 3</u>	<u>Land Sale No. 4</u>	<u>Land Sale No. 5</u>	<u>Land Sale No. 6</u>	<u>Land Sale No. 7</u>
Location	End Reeves Rd. & Ojai Valley School Rd.	End of Gridley Rd., Ojai	567 McNeil Rd., Ojai	1427 Fraser Land, Oak View	1215 Grand Avenue, Ojai	La Luna/El Roblar, Ojai	Ladera Ranch/Thacher Road, Ojai
Sale Date	Oct-15	Sept. 2014	Dec. 2014	Dec. 2014	Mar-15	Aug. 2014	Aug. 2014
Sales Price	\$1,950,000	\$1,200,000	\$680,000	\$675,000	\$600,000	\$665,000	\$400,000
Acres	46.04	53.98	5	2.85	6.72	10.23	1.23
Zoning	AE	AE	RE	RA	OS-20 acre	RA-10 acres	RE-1
Price Per Acre	\$42,354	\$22,230	\$136,000	\$236,842	\$89,285	\$65,004	N/A
Price Per Potential Homesite	N/A	N/A	\$680,000	\$675,000	\$600,000	\$665,000	\$400,000

### WATER COMPANY SALES

Sale No.	<u>Sale 1</u>	<u>Sale 2</u>	<u>Sale 3</u>	<u>Sale 4</u>	<u>Sale 5</u>	<u>Sale 6</u>
Seller/Buyer	Geyserville Water Company/California American Water Company	Meadowbrook Water Company/California American Water Company	Rural Water Company /Golden State Water Company	Traver Water Co./Del Oro Water Company	Valencia Water Co./Castaic Lake Water Agency	Mt. Lassen Woods/Del Oro Water Company
Location	Sonoma County	Merced County	San Luis Obispo County	Fresno	Santa Clarita	Shasta County
Sale Date	2015 (Pending)	2015	2015	2015	2012	2008
Sales Price	\$1,300,000	4,975,000	\$1,700,000	\$250,000	\$58,640,000	\$165,000
No. Meters	318	1,638	950	180	30,411	132
CPUC-Approved Rate Base	\$902,303	\$1,963,352	\$590,000	\$250,000	\$44,318,000	\$165,000
Price/Meter	\$4,088	\$3,037	\$1,789	\$1,388	\$1,928	\$1,250
Net Income	\$90,952	\$430,235	\$151,147	\$25,258	\$3,825,000	\$8,651
NOI/Meter	\$286	\$262	\$159	\$140	\$125	\$65
CPUC Approved	Pending	Approved	Approved	Pending	Friendly Eminent Domain	Approved
Type Buyer	Private Investor Class A	Private Investor Class A	Private Investor Class A	Private Investor Class B	Public Agency Buyer	Private Investor Class B, CPUC

\* Not including WRAM and Construction In Progress Accounts





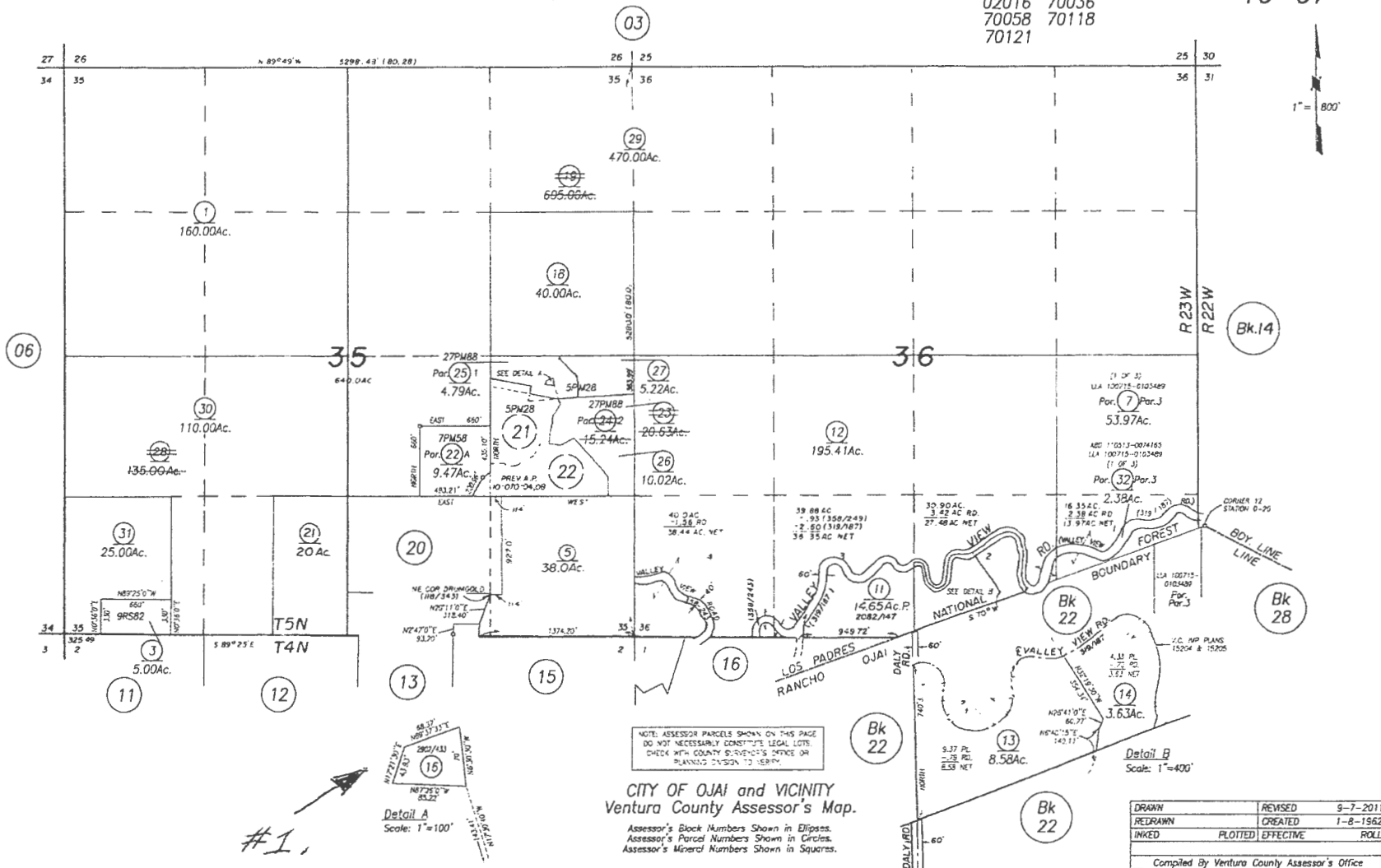




PORTION SECTION 35; FRACTIONAL SECTION 36, T.5N., R.23W.

Tax Rate Area  
02016 70036  
70058 70118  
70121

10-07



DRAWN	REVISED	9-7-2011
REDRAWN	CREATED	1-8-1962
LINKED	PLOTTED	EFFECTIVE
		ROLL

Compiled By Ventura County Assessor's Office

Roll-Year	17-13
DATE	9/7/11
REFERENCE DOC.	118011, 0074165
EXPLANATION	City of Ojai
REVISION LOG	BK 010 PC 07
VOID A.P.N.(s)	
RESIDUAL A.P.N.(s)	
NEW A.P.N.(s)	010-0-002-159

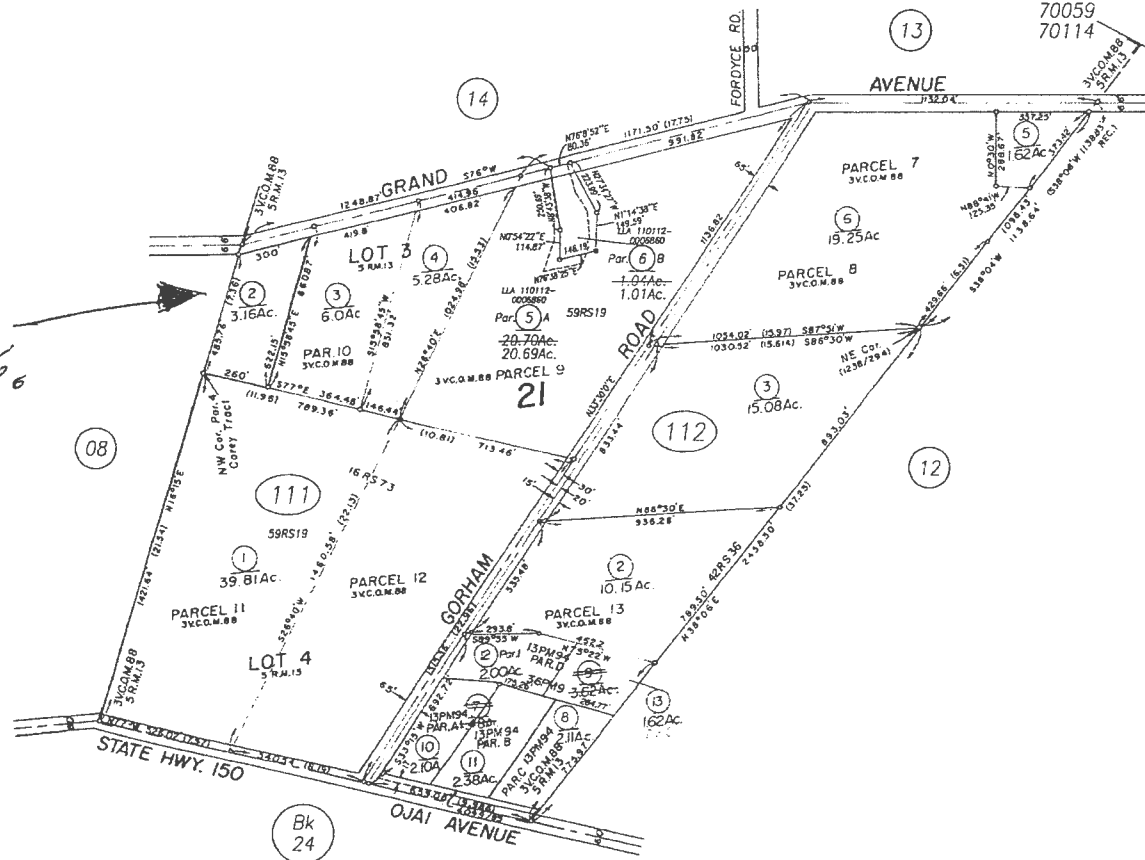
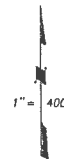
Golden State Water Co. Ojai - Assessor's Parcel Numbersz

No.	Assessor's Parcel No.	Acres
1	010-0-070-160	0.09
2	010-0-210-090	0.04
3	020-0-010-010	1.17
4	020-0-011-020	0.47
5	028-0-080-050	4.78
6	028-0-111-020	3.16
		9.71
Source: American Title Co.		

RANCHO OJAI  
PORTION TRACT 21

Tax Rate Area  
02003  
70051  
70053  
70059  
70114

28-11



#66

Rancho Ojai, Bard Subdivision, M.R. Bk.5, Pg.25 1/2  
Portion Corey Tract, M.R. Bk.5, Pg.13  
V.C.O.M., Bk.3, Pg.88

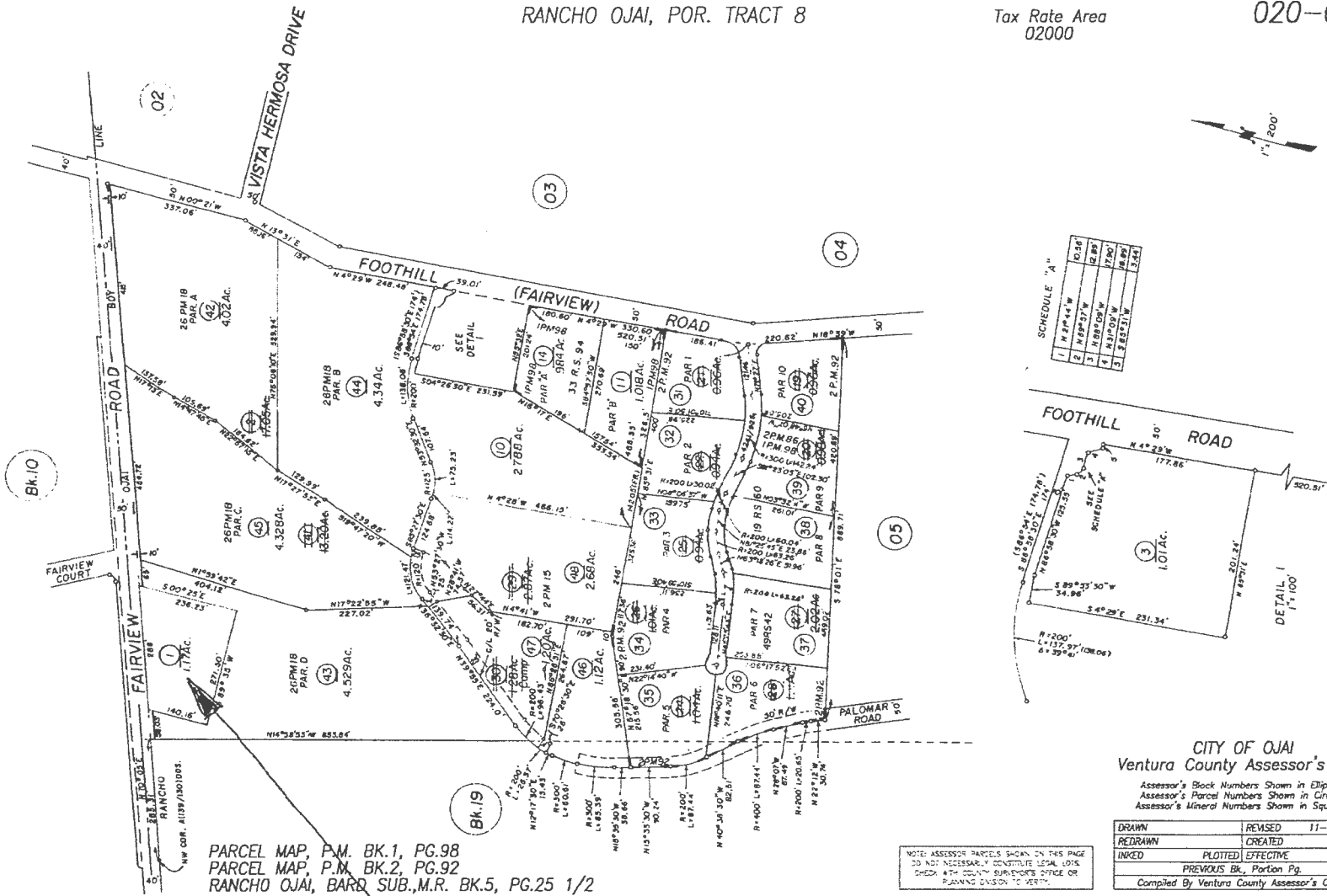
CITY OF OJAI and VICINITY  
Ventura County Assessor's Map.

Assessor's Block Numbers Shown in Ellipses.  
Assessor's Parcel Numbers Shown in Circles.  
Assessor's Mineral Numbers Shown in Squares.

NOTE: ASSESSOR PARCELS SHOWN ON THIS PAGE  
DO NOT NECESSARILY CONSTITUTE LEGAL LOTS.  
CHECK WITH COUNTY SURVEYOR'S OFFICE OR  
PLANNING DIVISION TO VERIFY.

DRAWN	REVISED	4-13-2012
REDRAWN	P.E.R. CREATED	10-29-1962
INKED	PLOTTED	EFFECTIVE
		ROLL
Compiled By Ventura County Assessor's Office		

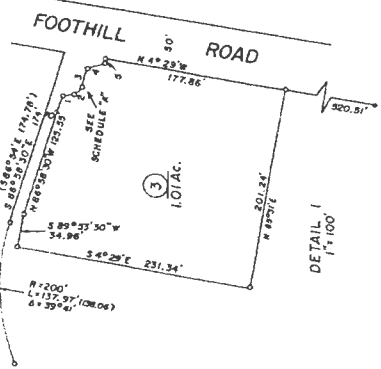
Roll-Year: 12-13	DATE	REFERENCE DOC.	EXPLANATION	REVISION LOG	
				VOID A.P.N.(s)	NEW A.P.N.(s)
	7/13/11	2811013C-0008860	UA	No Change in APN.	



PARCEL MAP, P.M. BK.1, PG.98  
 PARCEL MAP, P.M. BK.2, PG.92  
 RANCHO OJAI, BARD SUB., M.R. BK.5, PG.25 1/2

SCHEDULE "A"

1	N 2° 14' 44" W	10.34'
2	N 2° 37' 37" W	12.84'
3	N 8° 09' 09" W	7.90'
4	N 2° 37' 37" W	12.84'



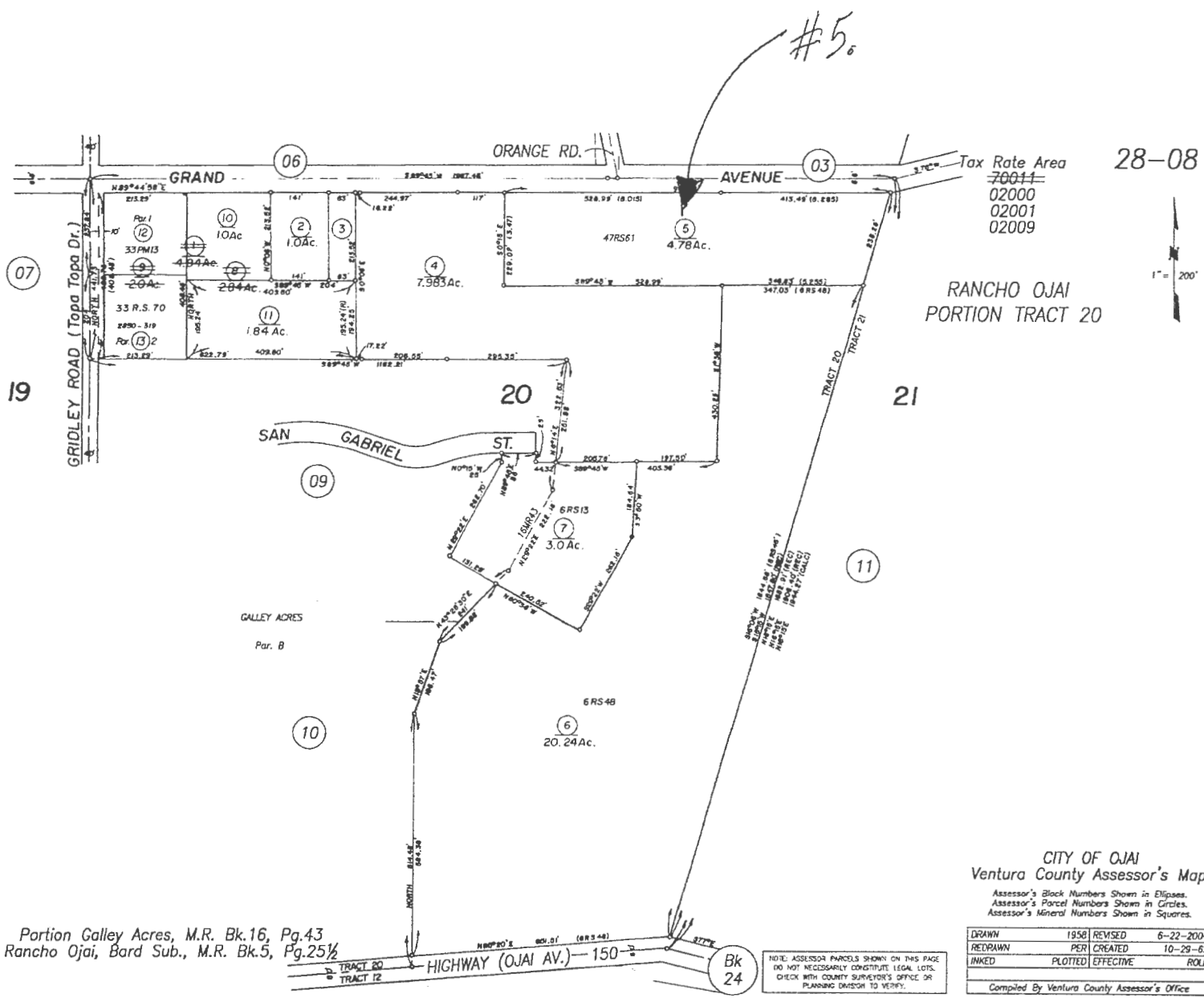
CITY OF OJAI  
 Ventura County Assessor's Map.

Assessor's Book Numbers Shown in Ellipses.  
 Assessor's Parcel Numbers Shown in Circles.  
 Assessor's Mineral Numbers Shown in Squares.

DRAWN	REVISED	11-17-2000
REDRAWN	CREATED	
LINKED	PLOTTED	EFFECTIVE
		ROLL
		PREVIOUS Bk., Portion Pg.
Compiled By Ventura County Assessor's Office		

NOTE: ASSESSOR PARCELS SHOWN ON THIS PAGE  
 DO NOT NECESSARILY REPRESENT LEGAL LOTS.  
 CHECK WITH COUNTY SURVEYOR'S OFFICE OR  
 PLANNING DIVISION TO VERIFY.

#3



#5

Tax Rate Area 28-08  
 70011  
 02000  
 02001  
 02009

RANCHO OJAI  
 PORTION TRACT 20



Portion Galley Acres, M.R. Bk.16, Pg.43  
 Rancho Ojai, Bard Sub., M.R. Bk.5, Pg.25 1/2

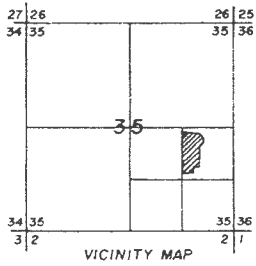
CITY OF OJAI  
 Ventura County Assessor's Map.

Assessor's Block Numbers Shown in Ellipses.  
 Assessor's Parcel Numbers Shown in Circles.  
 Assessor's Mineral Numbers Shown in Squares.

DRAWN	1958	REVISED	6-22-2004
REDRAWN	PERI	CREATED	10-29-62
LINKED	PLOTTED	EFFECTIVE	ROLL
Compiled By Ventura County Assessor's Office			

NOTE: ASSESSOR PARCELS SHOWN ON THIS PAGE  
 DO NOT NECESSARILY CONSTITUTE LEGAL LOTS.  
 CHECK WITH COUNTY SURVEYOR'S OFFICE OR  
 PLANNING DIVISION TO VERIFY.

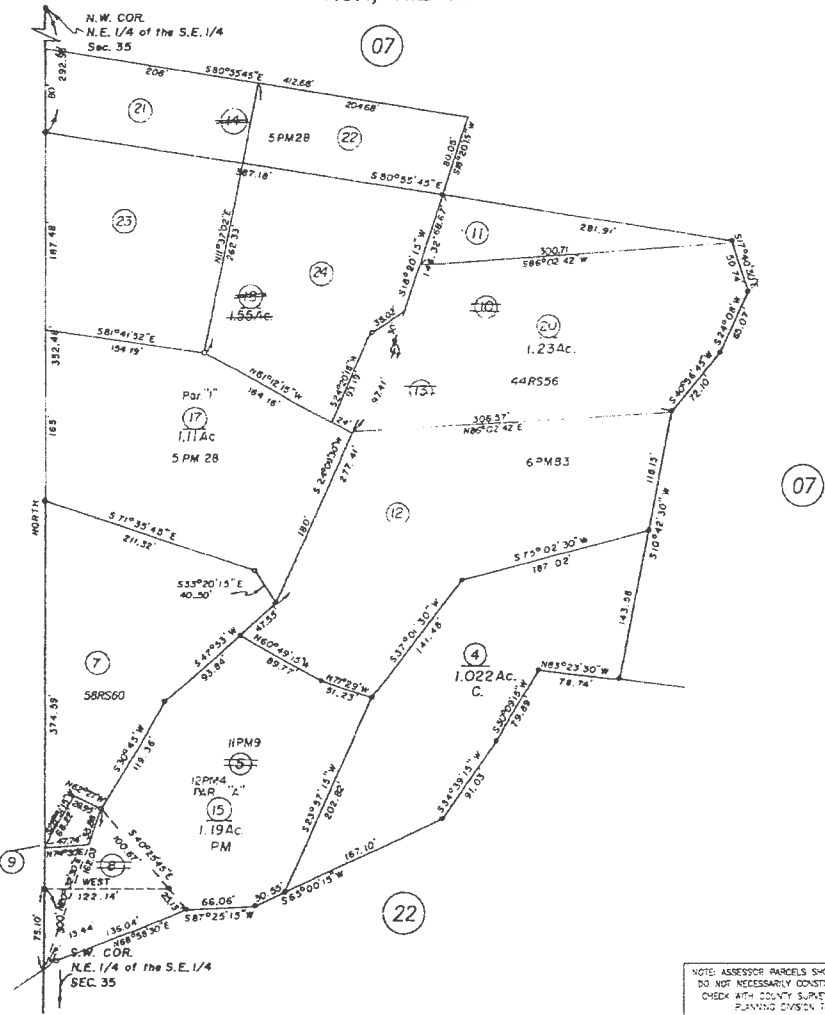




PORTION SECTION 35  
T.5N, R.23W.

Tax Rate Area  
~~70036~~  
~~70058~~  
70121

10-21



UNINCORPORATED AREA  
Ventura County Assessor's Map.

Assessor's Block Numbers Shown in Ellipses.  
Assessor's Parcel Numbers Shown in Circles.  
Assessor's Mineral Numbers Shown in Squares.

DRAWN	REVISED	11-10-2009
REGRAWN	CREATED	
LINKED	PLOTTED	EFFECTIVE
	PREVIOUS	Roll 10, Portion Pg. 07
Compiled By Ventura County Assessor's Office		

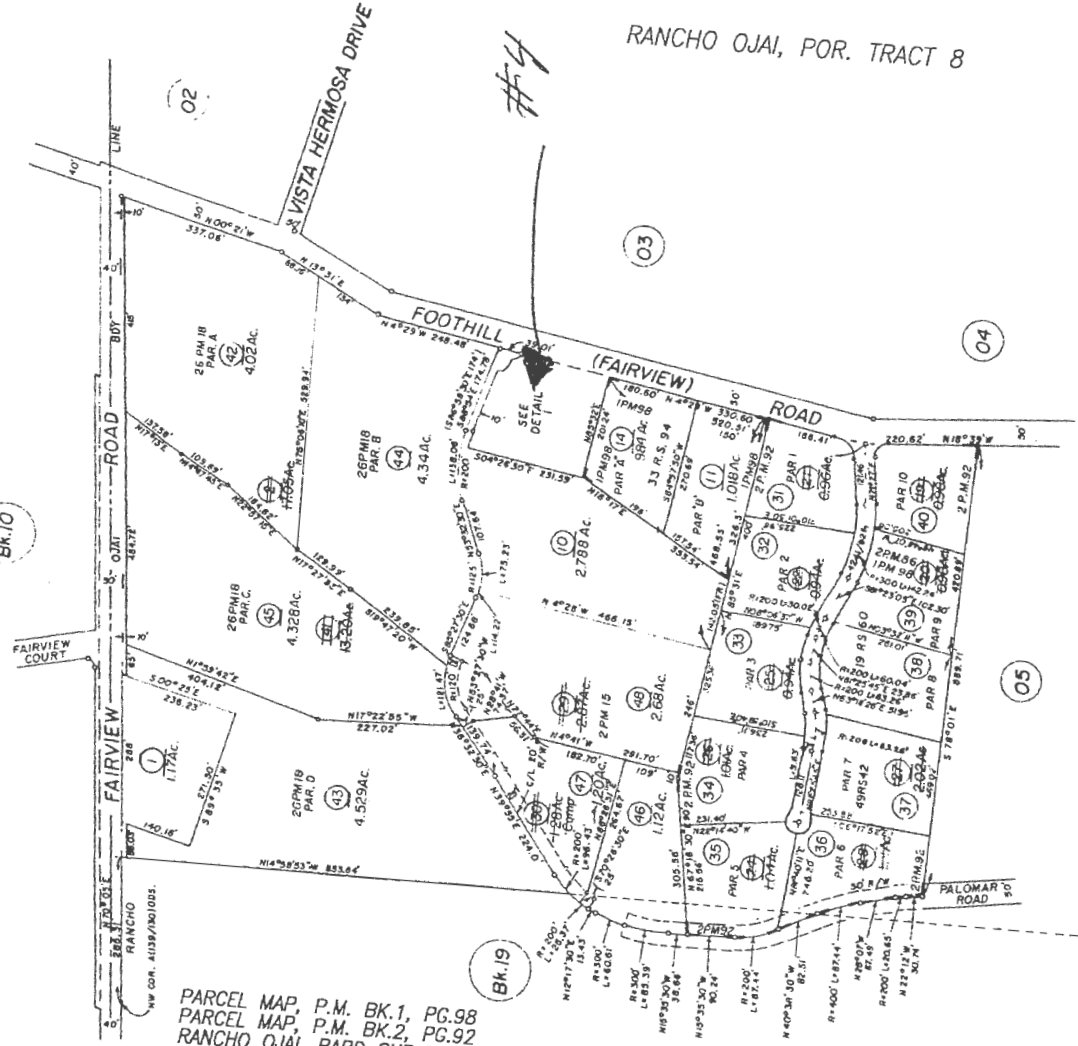
NOTE: ASSESSOR PARCELS SHOWN ON THIS PAGE  
DO NOT NECESSARILY CONSTITUTE LEGAL LOTS.  
CHECK WITH COUNTY SUPERVISOR'S OFFICE OR  
PLANNING DIVISION TO VERIFY.

#2.

RANCHO OJAI, POR. TRACT 8

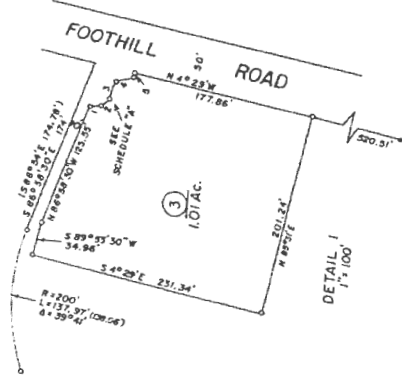
Tax Rate Area  
02000

020-01



SCHEDULE "A"

1	N 77° 44' W	10.54'
2	N 89° 25' W	4.89'
3	N 31° 03' W	2.90'
4	S 82° 51' W	16.84'



PARCEL MAP, P.M. BK.1, PG.98  
 PARCEL MAP, P.M. BK.2, PG.92  
 RANCHO OJAI, BARD SUB., M.R. BK.5, PG.25 1/2

CITY OF OJAI  
Ventura County Assessor's Map.

Assessor's Block Numbers Shown in Ellipses.  
 Assessor's Parcel Numbers Shown in Circles.  
 Assessor's Mineral Numbers Shown in Squares.

NOTE: ASSESSOR PARCELS SHOWN ON THIS PAGE DO NOT NECESSARILY CONSTITUTE LEGAL LOTS. CHECK WITH COUNTY ENGINEER'S OFFICE OR PLANNING DIVISION TO VERIFY.

DRAWN	REMOVED	11-17-2000
REDRAWN	CREATED	
REVISED	PLOTTED	EFFECTIVE
	PREVIOUS	Roll, Portion Pg.

Compiled By Ventura County Assessor's Office