

INYO COUNTY/LOS ANGELES
APPROVAL PROCEDURES
FOR THE 2001-2002 ANNUAL OPERATIONS PLAN

The County of Inyo ("County") and the City of Los Angeles Department of Water and Power ("LADWP") are the parties ("Parties") to the Long Term Groundwater Management Plan as set forth in the Stipulation and Order for Judgment in Inyo County Superior Court Case No. 12908 ("Agreement"). It is the intent of the Parties to establish the Operations Plan for the 2001-2002 runoff year in accordance with the procedures set forth below.

I. GOALS AND PRINCIPLES

It is the intent of the Parties to agree on the Annual Operations Plan for the 2001-2002 runoff year as quickly as possible.

The Annual Operations Plan for runoff years 2001-2002 will be approved in accordance with the procedures set forth below.

The procedures set forth below augment the provisions of the Agreement only in regard to the approval of the Annual Operations Plan for the 2001-2002 runoff year.

II. DEVELOPMENT OF THE 2001-2002 ANNUAL OPERATIONS PLAN

By April 20th, LADWP will prepare and submit to Inyo County a proposed operations plan and pumping program for the 12-month period beginning on April 1st. The proposed plan will include an explanation, on a wellfield by wellfield basis, of why the proposed plan is in compliance with the Agreement and with any documents, policies and/or directives that LADWP deems are applicable and relevant.

Within 10 calendar days of the receipt of the proposed plan, the County will provide written comments to LADWP on the plan. In the event that the County disagrees with all or part of the plan, the County's response will explain the basis of such disagreement. The County's response shall present all facts, data and any opinions in support of each of the County's contentions. The response shall include all facts, data and any opinions in support of a contention by the County that the proposed plan is not in compliance with any document, policy and/or directive that the County contends is applicable and relevant.

Within 7 working days of receipt of the County's comments, LADWP will provide a plan (with any revisions to the initial draft), together with a written response to the County. In the event that LADWP disagrees with all or some of the County's response, LADWP's response will explain the basis of such disagreement. LADWP's response shall present all facts, data and any opinions in support of each of its contentions. The response shall include all facts, data and any opinions in support of a contention by LADWP that the proposed plan is in compliance with any document, policy and/or directive that LADWP contends is applicable and relevant. Except as necessary to respond to the response submitted by the County pursuant to Section II.B, the

response will not raise any new issues beyond those raised in the submittal by LADWP pursuant to Section II.A.

Within 7 working days of the receipt of LADWP's response, the County will provide a written reply to LADWP. In the event that the County disagrees with all or part of the plan, the County's reply will explain the basis of such disagreement. The County's reply shall present all facts, data and any opinions in support of each of its contentions. Except as necessary to respond to the response submitted by LADWP pursuant to Section II.C, the reply will not raise any new issues beyond those raised in the submittal by LADWP pursuant to Section II.A and the County's response thereto.

In the event that the County's response submitted pursuant to paragraph II.D, above, introduces any policies, issues, documents, or directives which the County had not previously contended were applicable and relevant, LADWP will be given 7 additional working days to provide a written reply to the County limited to responding to the newly introduced policies, issues, documents, or directives.

Prior to May 25th, the Technical Group will meet to consider the proposed plan.

If, by May 25th, the Parties are in agreement on the proposed plan, the proposed plan will be submitted to the Standing Committee for consideration of approval.

III. SELECTION OF AN ARBITRATOR

As early as possible, but not later than May 18th, LADWP and the County shall mutually agree on an arbitrator who will resolve any disagreements over the Annual Operations Plan that have not been resolved by the Standing Committee.

If by May 18th the Parties are unable to mutually agree on the selection of an arbitrator, by May 25th, each party shall designate one arbitrator. The two designated arbitrators shall designate a third arbitrator by May 31st.

By May 31st, the arbitrator(s) will be furnished with a copy of the Agreement, the Green Book, the Final EIR, and with any documents, policies and/or directives that either of the parties have, in their earlier responses, contended are applicable and relevant.

IV. ARBITRATION

If by May 25th, the Parties are in disagreement over the proposed plan, the Standing Committee will meet to consider the proposed plan and attempt to resolve any disagreements over the proposed plan. The Standing Committee meeting will occur on or before June 22nd .

The arbitrator(s) will attend any Standing Committee meeting(s) during which the Committee attempts to resolve a disagreement over the plan. Prior to the Standing Committee meeting, the arbitrator(s) will be furnished with copies of the proposed plan and with copies of the written responses of the Parties prepared pursuant to Section II.

If by June 22nd, the Standing Committee is unable to resolve any disagreement over the proposed plan, the issues in disagreement will be submitted to the arbitrator(s) for a decision.

The arbitrator(s) will use their independent judgment(s) in making a determination on the issues in dispute. In reaching a decision, the arbitrator(s) shall only consider the plan, the written responses of the Parties prepared pursuant to Section II, the discussion at the Standing Committee meetings during which the committee attempted to resolve the disagreement, the Agreement, relevant provisions of the Green Book, the Final EIR and any documents, policies and/or directives deemed applicable and relevant by either of the parties. The decision of the arbitrator(s) must be based upon the "goals" and "principles" and other provisions of the Agreement, relevant portions of the Green Book, the Final EIR and upon any documents, policies and/or directives which have been previously provided to the arbitrator(s) by either party and which are deemed applicable and relevant by the arbitrator(s). The decision of the arbitrator(s) regarding the amount of water to be pumped during the 12 month period beginning April 1, 2001, shall be within the parameters established by the positions of the County and LADWP as set forth in the documents submitted under Section II.

The arbitrator(s) must submit a decision to LADWP and the County by July 6th. LADWP and the County shall immediately implement and follow the decision of the arbitrator(s).

The decision of the arbitrator(s) shall be binding on the Parties. No appeal of the decision of the arbitrator(s) may be made by either party, and neither party may submit the decision to dispute resolution under Section XXVI of the Agreement.

In the event of arbitration, each party will pay their own costs, and one-half of the costs of a mutually agreed upon arbitrator. In the event that there is a panel of three arbitrators, each party will pay its own costs, the costs of its designated arbitrator, and one-half of the cost of the third arbitrator.

V. GENERAL PROVISIONS

At any time prior to or after the establishment of the Annual Operations Plan through these procedures, the Standing Committee may agree on a plan or on a modification of the plan or agree on a modification of these procedures.

The County and LADWP, by mutual consent, may continue or change the dates established in these procedures. All continuances shall be in writing and the Parties hereby respectively delegate authority to their representative listed below, to enter into and grant continuances in this Dispute Resolution Procedure.

On behalf of the City of Los Angeles Department of Water and Power by the Assistant General Manager – Water.

On behalf of the County of Inyo by the County Administrative Officer.

VI. WAIVER

To the extent the procedures set forth above are, or may be, inconsistent, or in conflict, with procedures set forth in the Agreement, the Parties, by their approval of these procedures, hereby expressly waive any such inconsistency or conflict and agree to be bound by and follow these procedures.

APPROVED:

COUNTY OF INYO DEPARTMENT OF WATER AND POWER

BOARD OF SUPERVISORS OF THE CITY OF LOS ANGELES

by

BOARD OF WATER AND POWER COMMISSIONERS

OF THE CITY OF LOS ANGELES

Dated: _____ Dated: _____

By: _____ By: _____

General Manager

and _____

Secretary

Approved as to Form and Legality: Approved as to Form and Legality:

Inyo County Counsel Los Angeles City Attorney