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County of Fresno
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF FRESNO, CENTRAL DIVISION

WESTLANDS WATER DISTRICT, a California Water District, Plaintiff, v. ALL PERSONS INTERESTED IN THE MATTER OF THE CONTRACT BETWEEN THE UNITED STATES AND WESTLANDS WATER DISTRICT PROVIDING FOR PROJECT WATER SERVICE, SAN LUIS UNIT AND DELTA DIVISION AND FACILITIES REPAYMENT, Defendants.	Case No. 19CECG03887 **WESTLANDS WATER DISTRICT'S COMPLAINT FOR VALIDATION JUDGMENT** **[Code Civ. Proc. § 860, et seq.]**

Plaintiff WESTLANDS WATER DISTRICT ("District") alleges as follows:

Introduction

1. The District files this action seeking a validation judgment, pursuant to Code of Civil Procedure section 860, et seq., Water Code section 35855, and Government Code section 53510, et seq., as to the "Contract Between the United States and Westlands Water District Providing for Project Water Service, San Luis Unit and Delta Division and Facilities Repayment," which the Board of Directors, on October 15, 2019, approved in substantially the form presented to it and authorized its execution and delivery as set forth in Resolution No. 119-19 ("Converted Contract"). True and correct copies of Resolution No. 119-19 ("Resolution") and the Converted Contract, as attached to the Resolution, are attached hereto at Exhibits A and B, respectively, and are incorporated herein by this reference.

2. This validation action is brought in this Court under Code of Civil Procedure section 860 as a special in rem proceeding for judicial examination, approval, and confirmation of the proceedings leading up to and including the adoption of the Resolution and resulting approval of the Converted Contract as set forth in the Resolution. The terms of the Converted Contract require the institution of this validation action.

3. All such proceedings by and for the District, as set forth herein, were, and are, in the best interests of the District and all interested parties, and were, and are, in conformity with the provisions of all laws and enactments at any time in force or controlling upon said proceedings, whether of law, statute or ordinance, and whether federal, state or municipal and were, and are, in conformity with all requirements of all regulatory bodies, agencies or officials having authority over or asserting over said proceedings or any part thereof.

Parties

4. The District is, and at all times relevant has been, a public agency within the meaning of Code of Civil Procedure section 860.

5. The District is, and at all times relevant has been, a California water district duly organized and existing under and by virtue of the California Water District Law (Division 13 of the

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California Water Code). The District is located within Fresno and Kings counties, California, and the District's principal office is located in Fresno, California.

6. The Defendants named herein as "ALL PERSONS INTERESTED IN THE MATTER OF THE CONTRACT BETWEEN THE UNITED STATES AND WESTLANDS WATER DISTRICT PROVIDING FOR PROJECT WATER SERVICE, SAN LUIS UNIT AND DELTA DIVISION AND FACILITIES REPAYMENT" are all interested parties pursuant to Section 861 of the Code of Civil Procedure and are therefore sued by such designation.

Jurisdiction and Venue

7. Jurisdiction resides in this Court pursuant to Code of Civil Procedure section 860, Water Code sections 35407, 35408, and 35855, and Government Code section 53510, et seq.

8. Venue resides in this Court pursuant to Code of Civil Procedure section 860 since the District's principal office is located in Fresno, California.

Publication of the Summons

9. *The Business Journal* and the *Hanford Sentinel* are newspapers published, and are of general circulation, in the County of Fresno and the County of Kings, respectively, and publication of the Summons in these newspapers is consistent with the provisions of Code of Civil Procedure section 861. The Court should therefore order publication of the Summons in said newspapers pursuant to Code of Civil Procedure section 861. The District is informed and believes, and thereon alleges, that the proceedings held herein and the adoption of the Resolution are of general knowledge to the persons affected thereby or interested therein. The other reasonably practicable manners of providing notice are: (1) notice mailed to District landowners and water users; and (2) notice posted on the District's website. Therefore, the Court should also order that the District mail and/or email the Summons to the District landowners and water users in the same manner the District customarily provides notice to landowners and water users regarding District activities, and order the District to post the Summons on the District's website.

Factual Background

10. The United States constructed and operates the California Central Valley Project ("CVP" or "Project") for diversion, storage, carriage, distribution, and beneficial use, for flood

control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and restoration, generation and distribution of electric energy, salinity control, navigation, and other beneficial uses, of waters of the Sacramento River, the American River, the Trinity River, and the San Joaquin River and their tributaries.

11. On or about June 5, 1963, the District entered into a contract for water service with the United States, Contract No. 14-06-200-495-A ("1963 Contract"), which provided for the delivery to the District of water diverted through CVP facilities.

12. Prior to the expiration of the District's 1963 Contract, the District and the United States entered into Delta Division and San Luis Unit Contract Number 14-06-200-495A-IR1 and subsequently entered into Interim Renewal Contracts 14-06-200-495A-IR2 through 14-06-200-495A-IR6, the last of which is referred to herein as the "Existing Interim Renewal Contract" and establishes the terms and conditions for the delivery of Project Water to the District.

13. On or about December 16, 2016, the 114th Congress of the United States of America enacted the Water Infrastructure Improvements for the Nation Act (Pub. L. 114-322, 130 Stat. 1628) ("WIIN Act"). Section 4011(a)(1) of the WIIN Act provides that: "upon request of the contractor, the Secretary of the Interior shall convert any water service contract in effect on the date of enactment of this subtitle and between the United States and a water users' association [Contractor] to allow for prepayment of the repayment contract pursuant to paragraph (2) under mutually agreeable terms and conditions."

14. Pursuant to, and consistent with, the WIIN Act, the District requested that the United States convert the District's Existing Interim Renewal Contract to a repayment contract. The United States and the District subsequently negotiated terms and conditions to convert the District's Existing Interim Renewal Contract to a repayment contract, and those terms and conditions are reflected in the Converted Contract. The Converted Contract also reflects the current standard terms and conditions required by the Reclamation Manual, and continues water service to the District in the same scope and nature of the ongoing CVP and its existing facilities.

15. Under the Converted Contract, ongoing receipt and delivery of water to the District will continue with no expansion of service and no new facilities constructed because the District

will deliver the water received under the Converted Contract: (a) to lands within the District's boundaries for beneficial use and that have been in production, and (b) through existing facilities.

16. Although the specific terms of the Converted Contract are set forth within its text as incorporated herein, the following highlight some of the changes made:

(a) superfluous recitals in the Existing Interim Renewal Contract were deleted and new recitals were added to explain the basis for the conversion;

(b) definitions were: (1) added to reflect new provisions required to convert the Existing Interim Renewal Contract to a repayment contract, and (2) modified to reflect requirements of the Reclamation Manual;

(c) the term of the Existing Interim Renewal Contract was deleted and new text added that provides an effective date of March 1, 2020, and for the contract to continue so long as certain conditions are met;

(d) provisions, principally those related to rates, method of payment and repayment were deleted, revised, and supplemented to reflect the payment obligation and mandates of the WIIN Act; and

(e) other provisions were deleted, revised, and supplemented to reflect text mandated by the Reclamation Manual.

17. The District has reviewed the terms and conditions of the Converted Contract and finds the form and content thereof to be acceptable to the District and appropriate for execution. The terms and conditions of the Converted Contract are within the scope of, and consistent with, the District's powers and authorities under California Water District Law, including Water Code sections 35851 and 35875.

18. On October 15, 2019, at a duly noticed and regular meeting of the District's Board of Directors, the Board of Directors adopted the Resolution. Prior to this meeting and in accord with the provisions of the Ralph M. Brown Act, Government Code section 54950, et seq., the District timely posted and distributed a written agenda for this meeting describing the Board of Directors' intent to consider the adoption of the Resolution, and providing interested parties with the opportunity to review and comment upon the proposed Resolution and Converted Contract.

19. Through the Board's adoption of the Resolution, the Board: (a) authorized the filing of notices of statutory exemption and categorical exemption from the California Environmental Quality Act for approval of and authorization to execute the Converted Contract; (b) authorized the approval, execution, and delivery of the Converted Contract; and (c) authorized additional actions in furtherance thereof.

First Cause of Action

(Validation Action as to all Defendants)

20. The District incorporates by reference, as though fully set forth herein, each and every paragraph alleged in this Complaint.

21. The District and the United States have agreed upon the terms of the Converted Contract, and the District's Board of Directors has duly approved and authorized the execution of the Converted Contract pursuant to the Resolution.

22. Such entry into and execution of the Converted Contract is authorized and consistent with the District's rights and powers under California Water District Law in order to help assure and safeguard an adequate water supply for the District and its landowners and water users.

23. The District therefore seeks a decree, pursuant to Code of Civil Procedure section 860, et seq., determining that: (a) the Converted Contract, and each and every provision of said contract, is valid under applicable California law; (b) the District has, and at all times relevant has had, the authority to enter into said Converted Contract, including as set forth in Water Code sections 35851 and 35875; (c) all of the proceedings of the District and its Board of Directors leading up to and including the making and approval of said Converted Contract were in all respects legal and valid; (d) said Converted Contract is in all respects valid under applicable California law and is binding upon the respective parties thereto; and (e) said Converted Contract, and each and every provision thereof, is, and are, in all respects valid and authorized by applicable California law.

WHEREFORE, the District prays for judgment as follows:

1. That this action is properly brought under Code of Civil Procedure section 860, et seq., Water Code sections 35407, 35408, and 35855, and Government Code section 53510, et seq.,

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and is a proper procedure to determine the validity of the Converted Contract and all of the other proceedings described in this Complaint;

2. That the District is a California water district, duly organized and existing under, and by virtue of, the California Water District Law (Division 13 of the California Water Code), lying within the counties of Fresno and Kings, State of California, and is a public agency of the State of California;

3. That judgment be entered determining that all persons having, or claiming to have, any interest in the Converted Contract and the proceedings leading up to and including the making of said Converted Contract, and the validity of the provisions thereof, and any landowner or water user in said District and any interested person, have each and all been duly served with process and summoned to appear and answer the complaint of the District herein by the publication of the Summons pursuant to Code of Civil Procedure section 861 and Government Code section 6063, and other means found reasonably practicable by the Court, all in compliance with the law and pursuant to the order of the Court, that said publication was for the time and in the form and manner in all respects as required by law;

4. That judgment be entered determining that: (a) the Converted Contract, and each and every provision of said Converted Contract, is valid under applicable California law; (b) that the District has, and at all times relevant has had, the authority to enter into said Converted Contract under California Water District Law, including Water Code sections 35851 and 35875; (c) that all of the proceedings of the District and its Board of Directors leading up to and including the making and approval of said Converted Contract were in all respects legal and valid; (d) that said Converted Contract is in all respects valid under applicable California law and binding upon the respective parties thereto; and (e) that said Converted Contract, and each and every provision thereof, is, and are, in all respects valid and authorized by applicable California law;

5. That the Court find that the judgment as entered in this action be forever binding and conclusive as to all matters herein adjudicated and as to all matters which could have been adjudicated herein, against the District and against all other parties to this action;

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6. That the Court provide in its judgment an appropriate injunction pursuant to Code of Civil Procedure section 870 enjoining any person from instituting any action or proceeding to challenge the validity of the Converted Contract and the Resolution, and any matter which could have been adjudicated against the District in connection with this action; and

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

Dated: October 25, 2019

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Professional Corporation

By: *William T. Chisum*
Daniel J. O'Hanlon
William T. Chisum
Attorneys for Plaintiff
WESTLANDS WATER DISTRICT

INDEX OF EXHIBITS

Exhibit A Westlands Water District – Resolution No. 119-19

Exhibit B Contract Between the United States and Westlands Water District Providing for Water Service, San Luis and Delta Division and Facilities Repayment

[**EXHIBITS SUBMITTED AS SEPARATE DOCUMENTS**]