



MARK PESTRELLA, Director

## COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

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IN REPLY PLEASE  
REFER TO FILE

October 20, 2026

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**WATER RESOURCES CORE SERVICE AREA  
ANTELOPE VALLEY WATERMASTER CARRY OVER STORAGE AND RECOVERY  
AGREEMENT BETWEEN THE ANTELOPE VALLEY WATERMASTER AND THE  
LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY  
(SUPERVISORIAL DISTRICT 5)  
(3-VOTES)**

**SUBJECT**

Public Works is seeking Board approval and authorization for the Director of Public Works or his designee, on behalf of the Los Angeles County Waterworks District No. 40, Antelope Valley, to execute the proposed Antelope Valley Watermaster Carry Over Storage and Recovery Agreement between the Antelope Valley Watermaster and the Los Angeles County Waterworks District No. 40, Antelope Valley. The Los Angeles County Waterworks District No. 40, Antelope Valley, has 4,736.10 acre-feet of unused Carry Over Water from year 2016 and seeks to convert such Carry Over Water to Stored Water pursuant to the terms and conditions of the Antelope Valley Watermaster Carry Over Storage and Recovery Agreement in accordance with paragraph 15 of the Judgment and Physical Solution entered December 2015 and the Antelope Valley Watermaster Rules and Regulations.

**IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY:**

1. Find that the proposed action is not a project under the California Environmental Quality Act for the reasons stated in this Board letter.
2. Approve and authorize the Director of Public Works or his designee, on behalf of the Los Angeles County Waterworks District No. 40, Antelope Valley, to execute the Antelope Valley Watermaster

Carry Over Storage and Recovery Agreement between the Antelope Valley Watermaster and the Los Angeles County Waterworks District No. 40, Antelope Valley, and to submit applications for the recovery of Stored Water when determined necessary.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to approve and authorize the Director of Public Works or his designee, on behalf of the Los Angeles County Waterworks District No. 40, Antelope Valley (District), to execute the Antelope Valley Watermaster Carry Over Storage and Recovery Agreement (Agreement) between the Antelope Valley Watermaster (Watermaster) and the District. The Agreement provides producers the opportunity to preserve unused Carry Over Water by converting it into Stored Water that can be recovered at a later time when needed, including during extended water shortages.

The District has 4,736.10 acre-feet of unused Carry Over Water from 2016 and seeks to convert the Carry Over Water to Stored Water pursuant to the terms and conditions of the Agreement. This action will prevent Carry Over Water from expiring and preserve the water for future production during a drought or other water shortage. Under the Agreement, the District's unused Carry Over Water in subsequent years will automatically be added to the Agreement and converted to Stored Water immediately before its Carry Over period expires, without a separate agreement or application. The District will coordinate with the Watermaster to recover Stored Water when determined necessary.

### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: North Star 2, Foster Vibrant and Resilient Communities, Focus Area Goal D, Sustainability, Strategy i, Climate Health, by converting Carry Over Water to Stored Water that can be recovered during extended water shortages and will improve the District's drought resilience and water supply reliability for the communities it serves.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

Costs associated with any future recovery of Stored Water, including applicable fees payable to the Watermaster, will only be incurred when recovery is requested.

Funding for any future recovery-related costs will be requested through the annual budget process and appropriated in the District's General Fund (N63 – Services and Supplies).

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

California Water Code Section 55335 provides that a county waterworks district may acquire water supplies from any available source, including underground water basins within the same county, imported supplies, streams, wastewater, and stormwater. The District is a party to the Antelope Valley Groundwater Cases (Adjudication), a legal proceeding to determine groundwater pumping rights and groundwater management in the Antelope Valley. Producers may retain unused portions of their groundwater rights each year as Carry Over Water for up to 10 years, in accordance with the Judgment and Watermaster accounting procedures.

Carry Over Water not converted to Stored Water by the end of the 10-year Carry Over period reverts to the benefit of the Basin, and the Producer no longer has a right to that expired Carry Over Water.

Paragraph 15 of the Judgment and Physical Solution provides that, at the end of the 10-year Carry Over period, a Producer may store unproduced portions of Carry Over Water pursuant to a storage agreement with the Watermaster. The Watermaster approved the form of the carry over storage and recovery agreement.

In the future, the District may coordinate with the Watermaster as necessary to submit an application and the following documentation as required conditions to recover the Stored Water:

- A general description of the extraction methods and facilities, including identification of the well or wells to be used for recovery.
- The anticipated recovery quantity, rate of recovery, and location of wells to be used for recovery.
- An annual accounting of volumes and locations of Stored Water recovered during the previous year (prior to March 1 of each year).

County Counsel has reviewed and approved the enclosed Agreement.

#### **ENVIRONMENTAL DOCUMENTATION**

Approval of the Agreement is not subject to the California Environmental Quality Act (CEQA) because it is an activity that is excluded from the definition of a project by Section 21065 of the California Public Resources Code and Section 15378(b) of the CEQA Guidelines. The proposed action is an administrative activity of government, which will not result in direct or indirect physical changes to the environment.

Upon the Board's approval, Public Works will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Section 15062 of the CEQA Guidelines.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no negative impact on current County services or projects as a result of this action.

#### **CONCLUSION**

Please return one adopted copy of this Board letter to Public Works, Waterworks Division.

The Honorable Board of Supervisors

10/20/2026

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Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Mark Pestrella".

MARK PESTRELLA, PE

Director

MP:RG:ar

Enclosures

c: Auditor-Controller  
Chief Executive Office (Christine Frias,  
Cynthia Zapata)  
County Counsel (Tiffani Shin)  
Executive Office, Board of Supervisors

## ANTELOPE VALLEY WATERMASTER CARRY OVER STORAGE AND RECOVERY AGREEMENT

This Antelope Valley Watermaster Carry Over Storage and Recovery Agreement (**Agreement**) is made and entered into effective \_\_\_\_\_ (**Effective Date**) by and between the Antelope Valley Watermaster (**Watermaster**) and Los Angeles County Waterworks District No. 40, Antelope Valley (**Applicant**) pursuant to Paragraph 15 of the Judgment and Physical Solution entered December 21, 2015 (**Judgment**) and the Watermaster Rules and Regulations (**R&Rs**).<sup>1</sup>

### RECITALS

**A.** Paragraph 3.5.9 of the Judgment defines “Carry Over” as “[t]he right to Produce an unproduced portion of an annual Production Right or a Right to Imported Water Return Flows in a Year subsequent to the Year in which the Production Right or Right to Imported Water Return Flows was originally available.” Pursuant to Paragraph 15 of the Judgment and Section 8 of the R&Rs, unused portions of Production Rights and Imported Water Return Flows of Overlying (Exhibit 4), Non-Overlying (Exhibit 3), or State of California Parties may be converted to Carry Over and Produced on a first-in, first-out basis, for up to ten Years ( **Carry Over period**), provided that a Producer’s full Production Right must be Produced before any Carry Over water is Produced. Carry Over water may be transferred, in which case it will retain the same number of years for which it has already been carried over for purposes of calculating the Carry Over period.

**B.** Paragraph 15 of the Judgment and Sections 8.d and 9.h of the R&Rs provide that, at the end of the Carry Over period, any Producer may store unproduced portions of Carry Over pursuant to a Storage Agreement with the Watermaster which: (a) shall be subject to terms and conditions in the Watermaster’s discretion; (b) shall expressly preclude operations, including the rate and amount of extraction, which will cause a Material Injury to another Producer or Party, any subarea or the Basin; and (c) may allow for the transfer of such Stored Water. Paragraph 15 of the Judgment and Section 8.d of the R&Rs further provide that, if not converted to Stored Water pursuant to a Storage Agreement, Carry Over water not Produced by the end of the Carry Over period reverts to the benefit of the Basin and the Producer no longer has a right to the Carry Over water.

**C.** The following documentation is required as a condition for the recovery of Carry Over converted to Stored Water: (a) a general description of the extraction methods and facilities, including identification of the well(s) used for recovery (including well construction and capacity); (b) prior to recovery, the anticipated recovery quantity, rate of recovery, and location of wells used for recovery; and (c) prior to March 1 of each Year, an annual accounting of volumes and locations of recovery of such Stored Water from the previous Year.

**D.** Applicant is a Producer identified in Judgment Paragraph 5.1.1 (Exhibit 4), 5.1.5 (Exhibit 3) or 5.1.16 (State of California), currently has [4,736.10] acre-feet of unused Carry Over from the Year [2016], and desires to convert such Carry Over to Stored Water pursuant to the terms and conditions of this Agreement.

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<sup>1</sup> All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Judgment and the R&Rs.

E. Because Carry Over may include an unused portion of a Party's Imported Water Return Flows, and "Stored Water" does not include Imported Water Return Flows (see Paragraph 3.5.49), Carry Over stored pursuant to a Storage Agreement (whether originating from a Production Right or a Right to Imported Water Return Flows) is no longer Carry Over water, and is instead considered Stored Water. Stored Water pursuant to this Agreement only includes Carry Over that is converted to Stored Water in accordance with Paragraph 15 of the Judgment, and does not include Imported Water that has been stored. The Watermaster Engineer shall separately account for Stored Water under this Agreement within the Watermaster's Annual Report, distinguishing it from Imported Water stored pursuant to Imported Water banking and recovery projects under Paragraph 14 of the Judgment. Production and beneficial use of Carry Over converted to Stored Water pursuant to this Agreement does not generate rights to Imported Water Return Flows, which are only created when Imported Water (including Imported Water which has been stored) is delivered to a Producer for beneficial use per Paragraph 5.2.1 of the Judgment.

F. Nothing in this Agreement shall be interpreted to deprive a Producer of its rights under the Judgment, including, but not limited to, its ability to Carry Over unused portions of its Production Rights or rights to its Imported Water Return Flows, or to convert Carry Over to Stored Water. This Agreement is intended to be consistent with the requirement in Paragraph 18.5.14 of the Judgment requiring uniformly applicable rules for Storage Agreements.

NOW, THEREFORE, the parties agree as follows:

1. **Recitals.** The foregoing recitals are true and correct.
2. **Storage of Converted Carry Over.** The Applicant is hereby authorized to store the water set forth in Recital D, and any additional water in the future as provided in Section 5 below, pursuant to the terms of this Agreement.
3. **Material Injury Analysis.** If the Applicant has provided a description of the locations, methods and facilities to be used for extraction of Stored Water pursuant to this Agreement, including any available well construction and capacity information, and the proposed quantity and rate of recovery for the Applicant's wells during such extraction (collectively, the **Material Injury Information**), then the Watermaster Engineer has determined, based on such Material Injury Information, that the proposed storage and extraction of Stored Water pursuant to this Agreement will not cause Material Injury; provided, however, that the Watermaster Engineer's inability to complete the Material Injury analysis before the end of the Carry Over period for a timely submitted application to convert expiring Carry Over to Stored Water shall not result in the reversion of such expiring Carry Over to the Basin nor shall this inability of the Watermaster Engineer to complete the Material Injury analysis before the end of the Carry Over period result in any other change in the rights of the Applicant to convert the expiring Carry Over to Stored Water which is the subject of the timely submitted application. In the event the Material Injury Information changes subsequent to the date of this Agreement, or if no Material Injury Information was submitted with the application to enter into this Agreement, then Applicant shall be prohibited from extracting Stored Water stored pursuant to this Agreement until Applicant provides such new or changed Material Injury Information to the Watermaster, together with the then-applicable fee, and the Watermaster Engineer has made a written determination that the proposed extraction will not cause Material Injury.

**4. Transfers.** The Applicant shall be permitted to transfer the Stored Water stored pursuant to this Agreement in accordance with the Watermaster's rules and procedures then in effect for transfers; provided, however, that as a condition precedent to effectuating any such transfer, the transferee of such Stored Water shall agree in writing to be subject to the terms and conditions of a Watermaster-approved Carry Over Storage Agreement.

**5. Conversion of Additional Carry Over to Stored Water.** Applicant's unused Carry Over in subsequent Years shall automatically be added to this Agreement immediately prior to the expiration of the Carry Over period applicable to such Carry Over. Any such Stored Water shall automatically be deemed to be Stored Water subject to the terms and conditions of this Agreement as reflected in the Watermaster's accounting records.

**6. No Material Injury.** Without limiting the foregoing, and notwithstanding the Watermaster Engineer's approval of proposed extraction of Applicant's Stored Water pursuant to this Agreement, under no circumstances shall Applicant be permitted to engage in operations, including the rate and amount of extraction, which will cause a Material Injury to another Producer or Party, any subarea or the Basin.

**7. Annual Reporting.** As part of the Applicant's annual Production report, the Applicant shall, by March 1 of each year, provide the Watermaster with an annual accounting of volumes and locations of recovery of Stored Water during the previous Year pursuant to this Agreement, if any.

**8. Term.** The term of this Agreement shall be perpetual unless terminated by: (1) the Watermaster and the Applicant pursuant to mutual written agreement; (2) the Applicant upon six months' prior written notice to the Watermaster; or (3) the Watermaster for good cause by order of the Court.

**9. Successors and Assigns:** This Agreement is binding upon the parties hereto, and their respective heirs, executors, administrators, successors, assigns, lessors and licensees.

*[Signatures on following page]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

Dated: \_\_\_\_\_

**Watermaster**

By: \_\_\_\_\_  
Its Authorized Representative

Dated: \_\_\_\_\_

**Applicant**

By: \_\_\_\_\_