1 GARY G. GEUSS, City Attorney, SBN 128022 EXEMPT FROM FILING FRES PURSUANT TO GOV. CODE § 6103 KRISTI J. SMITH, Supervising Deputy City Attorney, SBN 120218 2 ANTHONY L. BEAUMON, Deputy City Attorney, SBN 215034 3 CITY OF RIVERSIDE City Hall, 3900 Main Street Riverside, California 92522 Telephone (951) 826-5567 Facsimile (951) 826-5540 JUN - 4 2015 abeaumon@riversideca.gov Attorneys for Petitioner and Plaintiff CITY OR RIVERSIDE, a California charter city and DEPUTY municipal corporation 9 SUPERIOR COURT OF CALIFORNIA 10 **COUNTY OF FRESNO** 11 15 CE CG 01769 12 CITY OF RIVERSIDE, a municipal Case No. corporation, 13 VERIFIED PETITION FOR WRIT Petitioner/Plaintiff. 14 OF MANDATE AND COMPLAINT FOR DECLARATORY AND 15 INJUNCTIVE RELIEF 16 STATE WATER RESOURCES CONTROL [Code Civ. Proc., §§ 1060, 1085, and BOARD, a governmental body; and 17 1094.5; Gov. Code § 11350] DOES 1 through 100, inclusive, 18 [Deemed Verified Pursuant to Code of , Respondent/Defendant. Civ. Proc., § 446] 19 20 21 Petitioner and Plaintiff CITY OF RIVERSIDE alleges as follows: 22 NTRODUCTION 23 Petitioner and Plaintiff City of Riverside (the "City" or "Riverside") is, and at all 1. 24 relevant times was, a charter city organized and existing under and by virtue of the laws of the 25 State of California, located within the County of Riverside, California. 26 2. Respondent and Defendant State Water Resources Control Board ("Water 27 Board") is a department of the State of California. Riverside is informed and believes, and on 28 that basis alleges, that the State Board is charged with executing the laws of the State of

VERIFIED PETITION FOR WRIT OF MANDATE AND COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

California, including Executive Orders issued by the State Governor. Riverside is further informed and believes that the State Board is authorized and may be required by law to hold public hearings, and may act in a quasi-legislative capacity and in a quasi-judicial capacity.

- 3. Riverside has owned and operated a water utility providing its residents with potable and non-potable water since 1913.
- 4. Riverside currently imports no water from Northern California, and is wholly dependent upon local groundwater to serve the needs of its customers. In fact, Riverside is "Water Independent," has at least a four year supply of water in its groundwater basins, its groundwater basins are naturally recharged, and Riverside has no plans to import water to serve the needs of its customers.
- 5. Riverside has invested a significant amount of money and time to be water independent. Since 1913, Riverside acquired seven private water companies mainly serving agricultural customers who had significant rights to extract groundwater from local basins. The principal reason for acquiring four of those water companies was to assure that the water rights of those companies would be available for domestic, commercial and industrial purposes when those service areas converted from agricultural to urban use. Riverside has also acquired shares in other private water companies, all of whom have similar groundwater extraction rights.
- 6. In 2008, to further increase its local water supplies and to definitively eliminate Riverside's need for imported water, Riverside constructed the John W. North Water Treatment Plant. The John W. North Water Treatment Plant and associated projects cost over \$100m, with \$12.8m funded by Proposition 50 funds from the State of California (Proposition 50 was approved by voters in November 2002 for funds to construct water-related infrastructure that reduces Southern California's consumption of imported water.) The John W. North Water Treatment Plant began treating water from former irrigation wells on September 4, 2008; since May 2008, the City has not imported any water from either the Colorado River or from the State Water Project.
- 7. California has experienced a severe drought over the past four years. However, Riverside primarily sources its water from an adjudicated groundwater basin, which is

CITY ATTORNEY'S OFFICE 3900 MAIN STREET RIVERNOE, CA 92522 (951) 826-5567 replenished naturally through precipitation. The water levels in that basin have remained stable over the past four years and are anticipated to remain stable. Basin water supplies are carefully monitored and the basin hydrology is well-understood. The basin is operated to maintain water levels between a minimum level and a maximum level to prevent local flooding. Riverside has at least a four-year supply of water in the basin. As a result of the unique adjudication, which cannot be simply revised, any water that Riverside does not extract will sit in the basin, and cannot be extracted or used by others.

- 8. Riverside truly is "Water Independent."
- 9. Now, having ignored the fact that Riverside has sufficient water to serve its customers, has at least a four year supply of naturally recharged groundwater, and imports no water, the State of California's Water Resources Control Board ("Water Board") has ordered Riverside to cut its water consumption by 24%. Through this Petition and Complaint, Riverside requests that the Court issue a writ of mandate vacating and setting aside the Water Board's Drought Emergency Water Conservation Regulations (the "Emergency Regulations").

VENUE, JURISDICTION, AND STANDING

- 10. This Court has jurisdiction to review the State Board's actions and issue a writ of mandate and grant declaratory and/or injunctive relief, as well as all other relief sought herein, pursuant to Code of Civil Procedure sections 1060, 1085, and 1094.5; Government Code section 11350; and other provisions of law.
- 11. The State Attorney General maintains an office in Fresno County. Venue in an action against the State Board is proper in any county where the State Attorney General maintains an office pursuant to Code of Civil Procedure section 401 and Government Code section 955.3.
- The State Board may not abuse its discretion; it must proceed in the manner required by law; it may not act arbitrarily or capriciously; and, its actions must be based upon substantial evidence. In adopting the Emergency Regulations, the State Board abused its discretion. It acted arbitrarily and capriciously in exempting water suppliers with adequate surface water supplies, but not exempting water suppliers such as Riverside with adequate

Riverside has no plain, speedy, or adequate remedy at law. Unless a temporary restraining order and injunction is issued, Riverside's ability to serve water to its customers will be impaired, which will cause real and economic harm to the City, its residents, and customers, despite an adequate water supply. Despite its adequate water supply, Riverside will also be subject to significant fines of up to \$10,000 per day for noncompliance with the Emergency Regulations. Riverside, its citizens, and the public will suffer irreparable harm if the Emergency Regulations are implemented.

EXHAUSTION OF ADMINISTRATIVE REMEDIES

- 14. This action is brought under Code of Civil Procedure sections 1060, 1085, and 1094.5, and Government Code section 11350. Riverside, and other agencies, organizations, or individuals, raised each of the legal deficiencies asserted in this Petition and Complaint, orally or in writing, before the State Board adopted the Emergency Regulations. Riverside has thus exhausted its administrative remedies, or Riverside was prevented from doing so by the actions or inactions of the Water Board, or was otherwise excused from doing so.
- 15. This lawsuit has been commenced within the time limits imposed by the Code of Civil Procedure, the Government Code, and the Water Code.

THE WATER BOARD'S REGULATIONS

- 16. California is currently in the fifth year of a significant drought with severe impacts to California's water supplies and its ability to meet all of the demands for water in the State. On January 17, 2014, Governor Edmund G. Brown, Jr. declared a State of Emergency throughout the State of California due to severe drought conditions and proclaimed a Continued State of Emergency on April 25, 2014. On April 1, 2015, Governor Brown issued Executive Order B-29-15 directing the Water Board to adopt further emergency regulations "to achieve a statewide 25% reduction in potable urban water usage."
 - 17. On April 28, 2015, the Water Board issued proposed regulations to meet the

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Governor's directive. One such proposed regulation was set forth in Section 865(c) of Article 22.5, entitled "Drought Emergency Water Conservation." This section provided in part:

Each urban water supplier whose source of supply does not include groundwater or water imported from outside the hydrological region in which the water supplier is located, and that has a minimum of four years' reserved supply available, may submit to the Executive Director for approval a request that, in lieu of the reduction that would otherwise be required . . . the urban water supplier shall reduce its total potable water production by 4% each month . . .

18. Concurrent with the issuance of these draft regulations, the Water Board issued a "Fact Sheet" further entitled "Notice of Proposed Emergency Regulation Implementing the 25% Conservation Standard." That Fact Sheet provided the following, on pp. 3 and 5:

Some suppliers may be eligible, under specific conditions, for placement into a lower 4% conservation tier.

Feedback is specifically requested on whether the regulation should allow water suppliers whose supplies include groundwater to apply for inclusion the 4% reserve tier if it can be demonstrated that they have a minimum of 4 years of supply, do not rely upon imported water, and their groundwater supplies recharge naturally.

- 19. Riverside is informed and believes and thereon alleges that the reason for the inclusion of Section 865(c) was that there were certain water agencies in Northern California that are wholly served with surface water. A reduction in diversions of surface water by these agencies will not affect water supplies impacted by the state-wide drought, as the surface water will otherwise flow into the ocean.
- 20. Riverside, along with a small number of other water agencies that are wholly dependent upon local groundwater supplies, has a four year supply of water and does not import any water from outside their hydrologic regions submitted comments in support of the inclusion of groundwater on this regulation. Specifically, Riverside's written comments included these facts:

Since 2008, Riverside has met 100% of its annual water needs from local, well managed, adjudicated groundwater basins, and locally produced recycled water. Presently, Riverside produces water from three local groundwater basins that recharge naturally within the Santa Ana River watershed. The basins from which we produce groundwater all recharge from natural, local precipitation and in spite of the drought, the water table depth has been stable over the past several years. Our prior capital expenses along with ongoing investments in groundwater management and dry-year yield programs would become significant stranded investments under arbitrary regulations to reduce water use. Our well managed groundwater basins are capable of meeting current and future demands, for at least the next four years, because of these significant local investments.

- 21. On May 5, 2015, the Water Board conducted a public meeting, during which it accepted and considered comments on proposed regulations. Riverside attended the meeting and made oral comments on the exclusion of groundwater from the 4% conservation tier criteria, explaining that it would be needlessly harmed. After hearing public comments, the Water Board refused to include groundwater-based suppliers into the 4% tier and adopted the proposed regulations as initially proposed.
- 22. Water Board staff stated at the meeting that it "had received information that communities in the northern portion of the state are not experiencing drought conditions due to their hydrology or supply," but did not disclose to the Water Board that communities elsewhere in the state had submitted information that they were not experiencing drought due to adequate supplies.
- 23. Water Board staff declared at the meeting that it would simply be too difficult to include groundwater in the 4% tier, but provided no evidence why including groundwater suppliers would be any more difficult than including surface water suppliers. No other reason was given for listening to one class of water suppliers, but ignoring the other class of water suppliers.
- 24. After hearing public comments, the Water Board voted to approve the Emergency Regulations, a "proposed resolution amending and readopting drought-related emergency regulations for urban water conservation to implement Executive Order B-29-15," adopted as Resolution No. 2015-0032.

CITY ATTORNEY'S OFFICE 3900 MAIN STREET RIVERSIDE, CA 92522 (951) 826-5567 (Petition for Writ of Mandate Pursuant to Code Civ. Proc., § 1085)

Riverside incorporates by reference paragraphs 1 through 24, above, as though set

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Under Code of Civil Procedure section 1085, an agency's decision may not be 27. arbitrary, capricious, or lacking in evidentiary support. The Water Board acted arbitrarily and capriciously by exempting certain surface 28.

water suppliers from the regular conservation tiers, but not certain groundwater suppliers, among other actions.

29. The Water Board's decision to exempt certain surface water suppliers from the regular conservation tiers, but not certain groundwater suppliers, among other actions, was lacking in evidentiary support.

SECOND CAUSE OF ACTION

(Petition for Writ of Mandate Pursuant to Code Civ. Proc., § 1094.5)

- Riverside incorporates by reference paragraphs 1 through 29, above, as though set 30. forth in full.
- When acting in an administrative or quasi-judicial capacity, an agency's decisions 31. are subject to review under Code of Civil Procedure section 1094.5.
- 32. Under Code of Civil Procedure section 1094.5, an agency may not abuse its discretion. An agency abuses its discretion if it does not proceed in the manner required by law, if its decision is not supported by findings, or the findings are not supported by evidence.
- The Water Board did not proceed in the manner required by law when it 33. exempted certain surface water suppliers from the regular conservation tiers, but not certain groundwater suppliers, among other actions.
 - The Water Board did not base its decision(s) on findings, as required by law. 34.
 - The Water Board's decision(s) findings, if they were made, were not supported by 35.

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THIRD CAUSE OF ACTION

(Declaratory Relief Pursuant to Code Civ. Proc. § 1060 and Gov. Code § 11350)

- 36. Riverside hereby incorporates by this reference the allegations of Paragraphs 1 hrough 35 as though fully set forth herein.
- 37. An actual controversy has arisen and now exists between Riverside and the Water Board.
- 38. Riverside is informed and believes, and on that basis alleges, that the Water Board disputes the contentions of Riverside.
- 39. Riverside seeks a judicial declaration and determination of its respective rights and duties.

<u>PRAYER</u>

WHEREFORE, Petitioner and Plaintiff City of Riverside prays for entry of judgment as follows:

ON THE FIRST CAUSE OF ACTION

- 1. For a writ of mandate pursuant to Code of Civil Procedure section 1085 directing the Water Board to rescind Resolution 2015-0032.
- 2. For a stay, temporary restraining order, preliminary injunction, and permanent injunction prohibiting any actions by the Water Board against Riverside based on Resolution 2015-0032.

ON THE SECOND CAUSE OF ACTION

- 1. For a writ of mandate pursuant to Code of Civil Procedure section 1094.5 directing the Water Board to rescind Resolution 2015-0032.
- 2. For a stay, temporary restraining order, preliminary injunction, and permanent injunction prohibiting any actions by the Water Board against Riverside based on Resolution 2015-0032.

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1	ON THE THIRD CAUSE OF ACTION
2	1. That this Court declare the Water Board's approval of the Resolution 2015-0032 to be in
3	violation of the Code of Civil Procedure as set forth above.
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5	DATED: June 3, 2015 GARY G. GEUSS, City Attorney
6	KRISTI J. SMITH, Supervising Denuty City Attorney
7	ANTHONY L. BEAUMON, Deputy City Attorney
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9	By: By:
10	Attony L Beaumon,
11	Attorneys for Petitioner/Plaintiff CITY OF RIVERSIDE
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	VERIFIED PETITION FOR WRIT OF MANDATE AND COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

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