

THE TRUJILLO WATER COMPANY
SHAREHOLDERS ANNUAL MEETING

May 8, 2023

AGENDA

1. Call to Order – President Melendez
2. Roll Call/Quorum – President Melendez
 - City of Riverside 157.83 Shares
 - Mary Hamilton 20.46 Shares
 - Sarah Garner 20.46 Shares
 - Amy P. Console 2.40 Shares
 - James & Janice Dickey 2.00 Shares
3. Approval of Minutes of June 13, 2022 Meeting – President Melendez
4. Motion to accept Resignation of Deborah Cherney – President Melendez
5. Approve to assign 1 share each to Brian Siana – President Melendez
6. Report of Actions by Directors for 2022 Meeting – President Melendez
 - Assessment Levied - Assessments of \$4.05 were levied by Board of Directors for Calendar Year 2022
7. Motion to Ratify Actions by Directors for 2022 – President Melendez
8. Nomination of Board of Directors – President Melendez
9. Other Business – President Melendez
 - Documentation submitted by Shareholder Sara Garner to be entered into historical record
10. Adjournment – President Melendez

MINUTES OF ANNUAL SHAREHOLDER MEETING
THE TRUJILLO WATER COMPANY
RIVERSIDE, CALIFORNIA
June 13, 2022

THE ANNUAL MEETING OF THE SHAREHOLDERS OF THE TRUJILLO WATER COMPANY was called to order virtually and in Council Chambers on Monday, June 13, 2020 at 6:39 P.M.

General Manager Todd Corbin presided over the meeting.

ROLL CALL was taken by President Crohn with the following shareholders present:

CITY OF RIVERSIDE	157.83 Shares
HAMILTON, Mary	20.46 Shares
GARNER, Sarah	20.46 Shares
CONSOLE, Amy	2.40 Shares
DICKEY, James & Janice	2.00 Shares
Quorum Present	203.15 Shares
Total Shares of Trujillo Water Company	203.15 Shares

CITIZENS PARTICIPATION

None.

APPROVAL OF MINUTES OF THE LAST ANNUAL MEETING ON May 10, 2021

Motion MOVED by Director Garner, second by Director Melendez and unanimously carried that the shareholders dispense with the reading of the minutes of the last ANNUAL MEETING held on May 10, 2021 and accept them as presented.

MOTION TO ACCEPT RESIGNATIONS OF PRESIDENT SANCHEZ-MONVILLE

MOVED by Director Melendez, second by Director Garner and unanimously carried by the shareholders to accept the resignation of Elizabeth Sanchez-Monville.

MOTION TO APPROVE TO ASSIGN 1 SHARE EACH TO: NIPUNJEET GUJRAL and REBECCA GOLDWARE

MOVED by Director Cherney, second by Director Melendez and unanimously carried by the shareholders to approve to assign 1 share each to Nipunjeet Gujral and Rebecca Goldware.

ACTIONS BY BOARD OF DIRECTORS FOR CALENDAR YEAR 2021

General Manager Corbin reviewed the actions taken by the Board of Directors for Calendar Year

2021:

Assessment Levied – Assessments of \$4.05 per share were levied by Board of Directors for Calendar Year 2021.

RATIFY ACTIONS BY DIRECTORS FOR 2020

Motion MOVED by Director Montgomery, second by Director Garner and unanimously carried to ratify actions by Directors for 2021.

MOTION TO NOMINATE MEMBERS OF BOARD OF DIRECTORS OF THE TRUJILLO WATER COMPANY

General Manager Corbin called for the shareholders nominations to fill the nine (9) Director positions

MOVED by Director Cherney, second by Director Garner and unanimously carried by the shareholders to nominate current Riverside Public Utilities Board members David Crohn, Peter Wohlgemuth, Gary Montgomery, Nancy E. Melendez, Rosemary Heru, Rebecca Goldware and shareholders Mary Hamilton, Sarah Garner & James Dickey to be elected to the Board of Directors.

OTHER BUSINESS

None

ADJOURNMENT

At 6:47 P.M. with no other business to come before the Shareholders the 2022 Shareholders Meeting be adjourned.



Todd M. Corbin
General Manager - Assistant Secretary/Treasurer

TRUJILLO WATER COMPANY

ELECTION OF BOARD OF DIRECTORS

PROPOSED MEMBERS

RECOMMENDATIONS

Gil Ocegüera
Rebecca Goldware
Nancy E. Melendez
Peter M. Wohlgemuth
Gary Montgomery
Rosemary Heru
Mary Hamilton
Sarah Garner
James Dickey

INTRODUCTION

This report on the history and background of The Trujillo Water Company ("Trujillo") has been prepared at the request of Charles H. Garner and Sarah M. Garner, trustees of the Garner Family Trust ("Trust"). The Trust owns property (the "Trust Property") in Riverside County and shares in Trujillo. The Trust Property traces its roots back to a 1886 map (the "Bandini Donation") and a 1893 addition to that map (the "Addition to Bandini Donation").

We have included a copy of a map¹ from *A Colony for California*, (1996) by Tom Patterson, which shows the pre-County of Riverside property lines. The Bandini Donation is located at the top right of the map. We have also included a copy of a Thomas Brothers map² with the Agua Mansa Memorial Cemetery marked in yellow and the Trujillo Adobe Historic Area in yellow. The other yellow spot on the Thomas Brothers map is the approximate location of the Garner property.

There have been several preliminary title reports prepared on the Trust Property, completed at different times³. We have chosen the report completed February 7, 2007 to use for this report, as it seemed to include the most historical documents.

BACKGROUND ON THE FORMATION OF RIVERSIDE COUNTY⁴

Riverside County was formed in 1893 from a small portion of San Bernardino County and a larger part of San Diego County.

In the late 18th century, the Spanish mission fathers of San Gabriel Mission (Los Angeles County), San Juan Capistrano Mission (Orange County), and San Luis Rey Mission (San Diego County) began colonizing the land and gradually used the interior valley (in what is now Western Riverside County) for raising grain and cattle. During this period, Spain claimed all of California and Mexico.

¹Location, Tab 1.

²Location, Tab 2.

³Location, Tab 3. The circled items have been requested and the documents will be referenced in chronological order throughout the report.

⁴Information in this section was taken from the Riverside County website at www.countyofriverside.us

In 1822, Mexico successfully revolted against Spain, and California came under Mexican jurisdiction. The missions and their lands were secularized beginning in 1834 and the land was transferred as "grants" to Californians who were citizens of Mexico. The first land grant in what is now Riverside County, Rancho Jurupa, was given to Juan Bandini in 1838, by Governor Alvarado, with a patent⁵ issued in 1879 to A. Stearns. In 1842 Governor Alvarado granted the San Bernardino Rancho to Jose del Carmen Lugo, Jose Maria Lugo, and Vicente Lugo. Patent was issued in 1865 to Jose del Carmen Lugo, et al.

In 1848, with the signing of the Treaty of Guadalupe Hidalgo, California became a territory of the United States, and in 1850 California became a state. These events generated a steady flow of settlers into the area, including gold miners, entrepreneurs, health-seekers, speculators, politicians, adventurers, seekers of religious freedom, and individuals desiring to establish utopian societies.

Lawsuits and title transactions before 1893 were filed in San Bernardino County or San Diego County, as applicable. After 1893, there was confusion as to where official documents pertaining to property in the newly created Riverside County should be filed, and some people elected to record their transactions in both the old county and in Riverside County. Others felt that if a transaction concerning a certain piece of property had been previously filed in the old county, then transactions involving that property should continue to be filed there. A third group felt that new transactions concerning property in Riverside County should be filed in Riverside County. This is why some of the documents used in this report were recorded in the records of the County Recorder for San Bernardino County, and some were recorded in the records of the County Recorder for Riverside County.

⁵Following establishment of state government in California, a Board of Land Commissioners was empowered (beginning in 1852) to adjudicate Spanish and Mexican claims. Patents were issued to claimants by the United States (following confirmation by the Board of Land Commissioners, approval of the District or the Supreme Court, and approved government surveys) as final and perfect evidences of title. Some claims were rejected, others were not adjudicated until the 1880s, and still others wound up in the courts. Most of the original records of the Board were destroyed in the San Francisco earthquake and fire in 1906.

EVENTS LEADING UP TO THE FORMATION OF THE TRUJILLO WATER COMPANY⁶

After 1834 and the demise of the mission system (after 1834), and when Mexico ruled the U.S. Southwest (until mid-1846), there were trade caravans along the Old Spanish Trail between Santa Fe and Los Angeles. In 1838, a small group of men accompanied the annual caravan from Abiquiu, New Mexico. The leaders of the advance party were Lorenzo Trujillo and Hipolito Espinosa.

Trujillo and Espinosa initiated separate talks with the Lugo family and Juan Bandini, as each needed skilled fighters to protect their respective ranchos from raids by Indians and other marauders.

Trujillo's group eventually selected the Lugo proposal and in exchange for a land allotment of 2,200 acres to be held in common, with ownership still residing with the Lugos (the rancharo family), Trujillo's group agreed to help protect the Lugo holding of the San Bernardino Rancho.

One member of the group, Santiago Martinez, decided to settle on a farmstead near the boundary between today's San Bernardino and Colton. He was the only member of the group at the time accompanied by his family.

In the fall of 1840 Hipolito Espinosa decided to make the move from Abiquiu and established his family near the Martinez family -- this pueblo became known as Politana, a name derived from Espinosa's given name.

In late 1841 Trujillo traveled with his family to Politana. Trujillo completed arrangements with Lugo. Trujillo and his four sons began building adobe houses in anticipation that three dozen of his neighbors in Abiquiu eventually would become settlers. In 1842 an Abiquiu group consisting of the leaders and a dozen families totaling about forty individuals made the trip to Politana. They quickly moved into their new homes and easily survived what they considered a mild winter.

Soon after the arrival of the second contingent of colonists in Politana in 1843, the villagers had a falling out with the Lugos. Careless horsemen had been breaking down fences and trampling crops and irrigation ditches.

⁶Events, Tabs 4, 5, 6, 7, 8 and 9.

Trujillo then negotiated with Juan Bandini of Rancho Jurupa. Ten families, led by Lorenzo Trujillo, moved from Politana to the northern boundary of the Jurupa Rancho. This village was known as "La Placita de los Trujillos", later called La Placita. A second group moved to the west side of the Santa Ana River at Agua Mansa, and by 1845 the twin communities were firmly established. Instead of a community land grant still owned by the rancharo, each family received its own plot of ground along the Santa Ana River, similar to the custom in New Mexico.

Farmsteads were laid out, an extensive irrigation system was dug, and grapes, grain, vegetables, and fruit trees were planted. Horses, sheep, and cattle were pastured on the mesa to the southeast, at present-day City of Riverside. In exchange, the people performed the duties of protecting Rancho Jurupa from marauders. They were given land on both sides of the Santa Ana River and had an unlimited supply of water for irrigation.

The bottom lands located on the wider west side presented a beautiful landscape, with deep, rich soil, and a narrow river, well confined between stable banks, coursing through them, where irrigation was not needed as there was sufficient moisture from below, and the soil was yet sufficiently heavy to retain it. For several years these lands were under a high state of cultivation without irrigation, but the flood of 1861--62 utterly destroyed their improvements. The character of the bottom-lands was changed; the fine, rich bed of soil was washed away, and heavy sand deposits took its place.

The great flood filled the Santa Ana River from bluff to bluff and destroyed the west bank community of Agua Mansa, leaving only the cemetery, the chapel, although the water rose to its steps, and Cornelius Jensen's adjoining store, built in 1854. It was the ringing of the church bell which alerted the Agua Mansans to the impending flood, and all escaped without loss of life. Most of the homes in La Placita were also damaged or destroyed.

Even before the flood of 1862, there were problems for the settlers. They had no organization that could be called government. Their cattle and animals grazed far and wide and conflict with Anglos became inevitable. After the flood the settlers moved back to the edge of the mesa, on the northern side, and a part of them moved across the river and constructed the Trujillo ditch. This ditch is the basis of the water rights held by Trujillo.

After the start of the City of Riverside in 1870, the settlers' animals were impounded when they strayed. The small farms became inadequate for expanding families and most of the farms were sold to larger operators. Those on the La Placita side (north) became the Pellissier Ranch, with grapes, a winery and a dairy. Eventually,

Pellissier Ranch was bought by the County of Riverside, primarily because of its water rights, although most of the ranch is in San Bernardino County.

TIMELINE OF FORMATION OF THE TRUJILLO WATER COMPANY

It appears, from Figure 26 in the May 1977 report by the United States Department of the Interior, Geological Survey⁷, entitled "*Development of Water Facilities in the Santa Ana River Basin, California, 1810-1968, A Compilation of Historical Notes Derived from Many Sources Describing Ditch and Canal Companies, Diversions, and Water Rights*" by M.B. Scott, that the Trujillo ditch was dug in the southern portion of what is now known as Range 5 West, Township 2 South, San Bernardino Meridian. This puts the ditch on the border between Riverside and San Bernardino Counties on land north of the Riverside Golf Club and Reid Park, on what is referenced to the Bandini Donation and the Addition to Bandini Donation.

William Ham Hall⁸ reported at page 295 that:

There are about ten irrigators under this ditch, and its waters serve about two hundred and fifty acres in irrigation, which are cultivated principally in summer crops and alfalfa. In May, 1879, the Trujillo ditch was carrying about two hundred inches of water, and irrigated two hundred acres of land that season.

In 1874 when construction started on the Riverside Lower Canal, the New England Colony, which made no preliminary survey, found that its proposed canal route closely followed the Trujillo ditch. The owners of the Trujillo ditch at first refused to allow construction of the Riverside Lower Canal across their property. By a later compromise they agreed to permit the canal construction, and in return their ditch would receive its water from the Riverside Lower Canal.

William Ham Hall⁹ wrote at page 295:

When the constructors of the Riverside Lower Canal came to build their work, they found the Trujillo ditch in existence

⁷Formation, Tab 15.

⁸Events, Tab 8.

⁹Events, Tab 8.

and use, and occupying the location they desired to take for the upper portion of their work. An arrangement was made with the Californian owners of the Trujillo water claim, to allow the new ditch to take the place of theirs, and for them to take their water out from it at a lower point, and this is the arrangement today. Under an agreement entered into in compromising a suit at law, the Trujillo irrigators receive thus a flow of one hundred miner's inches.

By court decree in 1884¹⁰ the Trujillo ditch was given entitlement to a continuous flow of 100 miner's inches from the Riverside Lower Canal. The defendants named in the 1884 court case¹¹ were P.J. Stockman, Esquipulo Garcia, Esquipulo Trujillo, A. J. Meyers, [First Name Illegible] Archulila, Lomas Archulila Administrator of the Estate of Theodore Trujillo deceased, Jesus Baca, Jose Paca and Lucas Montigo. The plaintiff's name is illegible, but the plaintiff is adjudged:

to be the owner of the canal described in its complaint as the lower canal of the Riverside Canal Company, and is the owner of the right to divert ... sufficient of the water of the Santa Ana river to fill same.

At the same time

... the defendants and their co-owners in that certain ditch known as the Spanish Town or Trujillo ditch are entitled to have diverted a perpetual stream from said Lower Creek ... in quantity of 100 inches measured with a four-inch pressure, said stream to be diverted in the main at the water gate of the Lower Canal known as the Spanish Town water-gate, except that sufficient of said one hundred inches shall be diverted at

¹⁰Formation, Tab 12. This is the Judgment that Jim Dotson obtained from the San Bernardino County Recorder's office. It was faxed from the San Bernardino County archives ("Archives") and is not easy to read. We have spoken with the Archive's office to see if we could easily obtain a cleaner copy. We have been told that we need to make the request to the Recorder's office. The request must be in writing and there is no guarantee that the copy will be any cleaner, but it might be worth a try. The fee will be minimal (not to exceed \$5.00). If necessary we can ask to review the case file at the Archive's office. It is possible that the Archive's office might not have kept a copy. As a last resort, if we really need a cleaner copy, we could try to obtain a copy of the case file directly from the Superior Court of San Bernardino.

¹¹Formation, Tab 12.

the triangle gate to irrigate the irrigable land lying below the said lower canal and above the Trujillo ditch, upon the land of the heirs of Theodore Trujillo...

The stipulation further provides:

... it is adjudged that all parties to this suit, plaintiff and defendants and each of them be and they are enjoined perpetually from violating the terms of this judgment.

Between the stipulation and the report of Mr. Hall, we believe that the Trujillo Ditch was abandoned and instead the owners of the ditch took their water directly from the Lower Riverside Canal at the two gates described in the stipulation.

The Bandini Donation was created on July 29, 1886, by the filing of two map pages¹² entitled the *Subdivision of The Bandini Donation* (the "Bandini Map") in San Bernardino County Records at Book 3 of Maps, Pages 24-24A. Lots 1 through 39 are on the north side of and abut the Santa Ana River. Lots 39 through 53 are on either side of the Santa Ana River. In particular as shown on Page 24A, where the Santa Ana River turns south, Lots 46, 52 and 53 are the three most southerly lots of the Bandini Donation. Lot 52 is the most westerly lot and lies west of the Santa Ana River. Lot 53 is east of the Santa Ana River. Lot 46 is east of Lot 53. The Lower Riverside Canal, owned by the Riverside Water Company and the subject of the 1884 stipulation, is east of and borders Lot 46. The north boundary of Rancho Rubidoux (which later formed the boundary between San Bernardino and Riverside Counties) forms the southern boundary of Lot 52 and half of Lot 53. Consistent with the Hall Report, these lots are in the northern portion of Township 2 South, Range 5 West.

Of interest on the Bandini Map is a notation "Old Pueblo Streets." This notation runs mostly north and south and is parallel to the west side of Lot 46 and ends at the north side of Lot 53.

On September 11, 1886, the "*Plat of the B.B. Harris Tract connecting with the Survey of the Bandini Donation to the New Mexicans*" (the "Harris Tract")¹³ was recorded at Book 3, Page 26, of San Bernardino County Records, connecting with the Bandini Map. The Harris Tract is south of the Santa Ana River with Lot 13, 13-1/2, 14 and 16 of the Bandini Map located due north, on the north side of the River. (At this

¹²Maps, Tab 18.

¹³Maps, Tab 18.

location the river runs east to west). The Harris Tract clearly shows the location of the Upper Irrigating Ditch of the Riverside Canal Company.

The Addition to the Bandini Donation was created on January 30, 1893, by the recordation of the "*Additton to Bandini Donatton*" (the "Bandini Addition Map") at Book 1, Page 3 of the Record of Survey of Riverside County. (This firm obtained one copy of this map from the Garner Family Trust¹⁴ and another copy¹⁵ from Riverside County Records.) Twenty one lots were created by this subdivision. According to the map, the three most northerly lots -- Lots 1, 18 and 19 -- contain parts of Lots 46 and 53 of the original Bandini Donation, plus additional land to the south. The map shows that the southern boundary of old Lot 53 has become the boundary between Riverside and San Bernardino Counties. New Lot 1, which lies just south of the newly created boundary, contains a portion of Lot 46 of the Bandini Map. (As old Lot 49 also extended south of the extension of the southern edge of Lot 53 boundary with Rancho Rubidoux, it should be a part of new Lot 1 as well as old Lot 46, but these are old maps and the surveyor may have simply neglected to make that notation on the map.) New Lots 18 and 19, which straddle the county line, contain parts of old Lot 53. The map also subdivides additional land to the south of those lots, east of Rancho Rubidoux.

Lot 19 of the Bandini Addition Map was subdivided in 1894. The Resurvey and Subdivision of Lot 19¹⁶ of the addition to Bandini Donation was recorded in Book 1, Page 20 of Maps of Riverside County Records and also recorded on January 10, 1910 in book 17 of maps page 53, records of San Bernardino County.

On October 7, 1899, an easement¹⁷ was granted to The Riverside Water Company for a roadway, as recorded in Book 73, Page 358 of Deeds. The copy of the easement is difficult to read but appears to be an easement over Lot 20 of the Addition to Bandini Donation for the right of way for a "storm or wastewater ditch" granted by a member of the Archulila family together with a right of way for repairing and maintaining the work field.

¹⁴Maps, Tab 17.

¹⁵Maps, Tab 19.

¹⁶Maps, Tab 20.

¹⁷Events, Tab 9. Item 3 circled in Preliminary Title Report.

On October 6, 1904, J.N. Hagins and Alice A. Hagins granted to Imperial Construction Company by Deed recorded in Book 185, Page 112 of Deeds¹⁸ an easement for pipelines, over two parcels of property, one of which apparently crossed Lot 20 of the Addition to the Bandini Donation. The deed also grants 12 hours of water in its regular turn from the Trujillo Ditch to the Imperial Construction Company. The Hagins reserved the right to:

... run water through the pipe line and ditch situated on the north side of said land for the purpose of irrigating the land lying westerly thereof; and subject to the lease of those lands to one William E. Marsh.

The preliminary title report for the Garner Property lists an easement for the purpose of the Trujillo ditch recorded in Book 191 page 277 of Deeds.¹⁹

Following the formation of Trujillo, by deed recorded in Book 433, Page 83 of Deeds²⁰, on August 29, 1912, J.T. Garner, O.J. Densmore, Albert A. Rouse, James E. Russell, and Riverside Land and Irrigating Company granted to the County of Riverside property, which according to the map attached, is for the right of way for a county road across lots 14, 15, 18, 20 and 21 of the Addition to the Bandini Donation and Lots 1, 2, 3, 4, &5 of the Re-survey and subdivision of Lot 19 of Addition to Bandini Donation "subject to a free right of way for pipe lines, flumes and ditches."

A September 1937 map²¹ that shows a Record of Survey of a portion of the Addition to Bandini Donation as shown on Record of Survey book 1 page 3 records of Riverside County, California that was surveyed at the request of Mrs. J.T. Garner. It is a survey of Lot 20, which was south of Lot 18. The unnamed lane on the Bandini Addition Map is named Placentia Road.

¹⁸Events, Tab 10. Item 5 circled in Preliminary Title Report.

¹⁹Formation, Tab 11. We do not have a copy of this document. It may be the easement first granted for the Trujillo ditch. Item 4 circled in Preliminary Title Report.

²⁰Formation, Tab 14. Item 6 circled on the Preliminary Title Report.

²¹Maps, Tab 21.

In the May 1977 report by the United States Department of the Interior, Geological Survey²², entitled "*Development of Water Facilities in the Santa Ana River Basin, California, 1810-1968, A Compilation of Historical Notes Derived from Many Sources Describing Ditch and Canal Companies, Diversions, and Water Rights*" by M.B. Scott, at page 82

In 1912 the Riverside Water Co. built the pipeline, shown in figure 15, from the Riverside Canal to the Trujillo water system. Water has been delivered by the pipeline since that date. The acreage presently irrigated has declined to only a small percentage of that irrigated in the late 1880's (oral commun., City of Riverside, 1967)

This same report states (page 80) that the City of Riverside purchased the holdings of the Riverside Water Company in May 1961. (The holdings of the Riverside Water Company were acquired by the City of Riverside's exercise of its power of eminent domain in 1961. See below.) In 1967 the system consisted of open canals, inverted siphons, and closed conduits. Water was supplied exclusively from groundwater sources. About 60 percent of it was used for agricultural use, and 40 percent for domestic use.

In *City of Riverside v. Riverside Water Company*, Riverside Superior Court Case Number 70784²³, the City of Riverside obtained the Riverside Water Company by eminent domain. Judgment was entered May 2, 1961. The property interest of Riverside Water Company in Trujillo is discussed in the Judgment at paragraph 6:

The property which is hereby condemned to the use of the Plaintiff City of Riverside consists of ... all other water rights of Defendant [Riverside Water Company] ... together with all rights to receive water pursuant to stock or share ownership, or contract, in or from the Trujillo Water Company, Salazar Water Company, Jurupa Ditch Company, and their respective ditches, and from McKenzie Ditch

²²Formation, Tab 15.

²³Formation, Tab 16. Item 11 listed in the Preliminary Title Report.

THE ARTICLES OF INCORPORATION

The holders of the Trujillo water rights and facilities incorporated under the name of the Trujillo on September 3, 1910. Trujillo's Articles of Incorporation ("Articles")²⁴ at Article Three, Paragraph 1 provides that the purposes of the company are:

To take, acquire, appropriate, buy and own specific water and water rights, in whole or in part, commonly known and designated as the Trujillo or Spanish-town ditch, said water right being particularly shown in case #579 in the Superior Court of the County of San Bernardino, State of California, as per Judgment recorded in the County Clerk's office of said County and State, in Book #2 of Judgments, page #102 thereof.²⁵

[and]

To take, acquire, appropriate, buy and own existing pipe line and rights of way through lots #46 and 53 of the Subdivision of the Bandini Donation, per map thereof of record in the Recorder's office of San Bernardino County, California, in Book of Maps #3, Page #24, and including any and all other rights of way, pipe lines, ditches, water boxes and appurtenances as now deliver said water, in whole or in part, to lands within the County of Riverside, State of California; for all the purpose of delivering water without profit to the corporation to stockholders thereof for irrigation or domestic use under such terms, conditions and requirements as its Board of Directors may determine.

The Articles of Incorporation of the Trujillo have been amended twice: once in 1950²⁶ ("1950 Amendment") in which Article Three, Section 6 was amended, and once in 2002, to revive the corporation.

Article Three, Section 6 originally read as follows:

²⁴Formation, Tab 13.

²⁵Formation, Tab 12.

²⁶Amended Articles, Tab 22.

6. All water stock issued shall be made appurtenant to a specific piece or parcel of land, and not less than twelve hours of water shall be appurtenant to each ten acres of land, and when stock once issued to a piece of land it shall not be changed without the consent of the stockholders according to law.

Following the 1950 Amendment, Article Three, Section 6 of the Articles was amended to read:

6. To borrow money for any or all of the purposes aforesaid, and to issue its promissory notes, bonds or other obligation therefor and to secure the repayment of the same, with interest, in such appropriate manner by mortgage of its property or otherwise, as may be deemed most advantageous to the said corporation, and to do and transact all business within the scope of the purposes of the corporation or connected therewith or relating thereto, as may be necessary or proper for the purpose of effectually carrying out all or any of the objects.

Also amended was Article Three, Section 7, which originally read:

7. The land on which this water may be used is hereby designated as the lands within either the City or County of Riverside, California, lying Northerly of Santa Ana Street and on either side of the Riverside-Rialto Road and as far East as Spanish-town Avenue and as far North as the San Bernardino County line.

Article Three, Section 7 was amended to read:

7. To make such by-laws, rules and regulations as it may deem proper and necessary for the management and preservation of the works, and or the use and distribution of the water under its control.

The 1950 Amendment also added Section 8 to Article Three, it reads

8. To do which and every thing necessary, suitable or proper for the accomplishment of any of the above purposes or the attainment of any one or more of the objects herein mentioned of which shall at any time appear conducive or expedient for the protection or benefit of this corporation, and in general, to engage in any and all lawful business whatsoever necessary or convenient in connection with the business of said corporation, and to do any and every act and thing incidental to, growing out of or connected with said business or any part thereof.

On March 25, 2002²⁷, a Certificate of Amendment of the Articles of Incorporation was filed with the Office of the Secretary of State. This amended Article Four to read that "The term of existence of the corporation is perpetual." The corporate existence of Trujillo expired on September 8, 1960 and the amendment states that it has continuously acted as a corporation since that date. The California Corporation Code provides that corporations may be revived in this way.

SHARES²⁸

Mr. Garner has one Certificate numbered 222 for 24 shares of Trujillo dated April 11, 1949 that is appurtenant to:

that portion of the Addition to the Bandini Donation, as shown as recorded in Map Book 9 page 43 Records of Riverside County California and survey records ...

In 1930 Mr. Garner wrote a letter²⁹ to Trujillo requesting that his 24 shares of water stock in the Trujillo be diverted or transferred to section or lot 11 of the Addition to Bandini Donation. He asked that Trujillo acknowledge receipt of the letter. We do not have any confirmation that this was done.

²⁷Amended Articles, Tab 23,

²⁸Shares, Tab 25.

²⁹Shares, Tab 26.

Mr. Garner also has:

March 29, 1954	Certificate 24	3- 60/100
February 4, 1955	Certificate 28	1-20/100
February 6, 1955	Certificate 29	2
June 7, 1956	Certificate 32	4-92/100
September 23, 1957	Certificate 35	1-20/100
January 9, 1958	Certificate 36	1
February 3, 1958	Certificate 38	1
June 7, 1960	Certificate 41	1

Each of these later certificates has the following notation:

... By acceptance of this certificate the holder hereof assents to and agrees to be bound by all of the provisions of the Articles of Incorporation and all of the provisions of the Articles of Incorporation and all amendments thereto, and particular to the amendment to said Articles of Incorporation filed November 13, 1950, changing the status of said stock from appurtenant to non-appurtenant.

In the file there is an undated, but most likely circa 1984, piece of paper³⁰ which appears to quantify the proportional share of water each share represents. If the calculations on this piece of paper are correct than Mr. Garner would be entitled to 204.6 acre feet of water.

BY-LAWS³¹

There are a few items in the By-Laws that are notable. The By-Laws that we have are dated October 11, 1950 with an amendment dated September 13, 1951.

1. Article III, Directors, Section 6. Organization Meeting - Immediately following each annual meeting of shareholders the board of directors shall hold a regular meeting for the purpose of organization, election or officers, and the transaction of other business. Notice of such meetings is hereby dispensed with.

³⁰Shares, Tab 27.

³¹By-Laws, Tab 28.

2. Article V, Miscellaneous, Section 2. Annual Report. The annual report of shareholders referred to in Section 3006 of the Corporations Code of California, is expressly dispensed with, but the board of directors of the corporation may cause to be sent to the shareholders ... an annual report in such form as may be deemed appropriate by the board of directors.
3. Article V, Miscellaneous, Section 5. Inspection of By-Laws. The corporation shall keep in its principal office for the transaction of business the original or a copy of the by-laws amended or otherwise altered to date, certified by the secretary-treasurer, which shall be open to inspection by the shareholders at all reasonable times during office hours.
4. Article VII, Water and Water Rights, Section 1. Water Rights. The shares of stock issued by this corporation need not be appurtenant to the water right or water use of the individual stockholder, but the water of this corporation shall be delivered and sold to stockholders and to others only as the board of directors shall direct.
5. Article VII, Water and Water Rights, Section 2. Use of Water. The amount of water to be delivered per share, as well as the place and time of delivery, shall be fixed by the board of directors, and may be changed as required by their discretion.
6. Article VII, Water and Water Rights, Section 5. Transfer of Stock. In the event any stockholder desires to transfer his stock and/or water rights to which said stock may be appurtenant, he shall deliver to the company the stock certificate duly endorsed along with a grant deed to the proposed purchase of the water rights to which said stock may be appurtenant. He shall also deliver a title report satisfactory to the board of directors, showing what persons, if any, other than the transferring shareholder have an interest in said water rights or the real estate on which said water rights are used. Said transferring stockholder shall also submit the name of the proposed transferee, and a description of the place or property where said water will be used, and the board of directors will then determine whether said transfer may be made, and if so upon what terms and conditions.

APRIL 20, 2007 SHAREHOLDERS ANNUAL MEETING, THE TRUJILLO³²

Attached to this agenda are the April 7, 2006, Minutes of the Annual Shareholder Meeting of Trujillo. Under Roll Call it lists the City of Riverside as having 148.83 shares and 8 individuals with 1 share each. Mr. Garner was not present.

Under Manager's Report it is written that 2005 was a normal year with no major problems or pipeline repairs. Riverside continues to provide Zanjero and pipeline repair services as required. It reports that the largest shareholder Charles H. Garner did not request any water deliveries.

At the end of the Minutes is a listing of shareholders. In 2007, the City of Riverside holds 157.83 shares (itself and the 10 individuals), Charles Garner holds 40.92, Ignacio & Manuela S. Arroyo own 2.40 shares, and James V. & Janice L. Dickey hold 2.0 shares. This makes the City of Riverside the largest shareholder and not Mr. Garner.

THE WATERMASTER

The court in entering judgment in the 1969 case entitled *Western Municipal Water District, et al., v. East San Bernardino County Water District, et al.*, RSC Case No. 78426 appointed a watermaster: Western Municipal Water District and San Bernardino Valley Municipal Water District ("Western-San Bernardino Watermaster"). The Western-San Bernardino Watermaster maintains pumping records, takes groundwater elevations and issues an annual report, the first of which was issued in 1970³³.

We have included the portions of the Western-San Bernardino Watermaster report that pertains to the Trujillo for the Annual Accounting of 2003 dated August 1, 2005

³²Shareholder Meetings, Tab 29.

³³The annual reports build data from year to year, and are basically an annual accounting. The most recent report that we have is for 2003. We have downloaded the 2005-2006 report from the San Bernardino Valley Municipal Water District's website, but they no longer post the volumes that contain the tabulations. We have asked for the remaining reports.

("2003 Watermaster Report")³⁴. Tables 3 and 4 of the 2003 Watermaster Report, show the water deliveries to the Trujillo and update the deliveries through 2003.³⁵

Table No. 4, from the 2003 Watermaster Report, entitled *City of Riverside Water Deliveries to Trujillo Water Co. in San Bernardino and Riverside Counties (quantities in acre feet)* at page 6 shows the amounts delivered to Trujillo from 1971 through 2003 with deliveries to individuals Russell and Pellissier being blank. This table also says that for years preceding 1971: refer to Volume 5, August 1976, Page I-23. We will finish with information from the 2003 Annual Report before reporting on the 1975 Annual Report.

The 1975 Watermaster Report³⁶ at page I-3 says that

The Riverside Water Company organized a domestic water division and began the delivery of water for household use to inhabitants of the City of Riverside. In about the year 1914, the City of Riverside acquired the domestic water system, together with certain water rights which were owned by the Riverside Water Company. The Riverside Water Company continued the delivery of irrigation water to lands both within and without the City of Riverside. The growth of the City of Riverside continued until, in about the year 1961, the City of Riverside acquired the remaining holdings of the Riverside Water Company.

The 1975 Watermaster Report also reports that the City of Riverside acquired ranch land, notably the Pellissier and Williams Ranches. The extraction from the well located on the Williams Ranch has been used in part for delivery to the Trujillo. On page I-4, the 1975 Watermaster Report says that of the deliveries shown on Table No. 3³⁷, the deliveries to the ... Trujillo Water Company ... are being made in satisfaction of prior rights awarded in prior litigation ...

³⁴Watermaster, Tab 30.

³⁵Tables 5 through 7 were no longer necessary as water was no longer being delivered to San Bernardino County.

³⁶Watermaster, Tab 31.

³⁷Watermaster, Tab 32.

The 1975 Watermaster Report goes on to say

... when the original Riverside Water Company was in the early formative stages and was acquiring water rights, the Company became involved in litigation concerning the acquisition of these water rights. At this time, the water rights were largely confined to surface water diversion. The Riverside Water Company diverted the entire flow of Warm Creek, one of the major tributaries of the Santa Ana River. This diminished the supply of water available to the Salazar ditch, the Trujillo ditch, and the Jurupa ditch, all of which relied upon the River for the supply. The results of the litigation resulted in prior rights being awarded to these three ditches in the amount of a continuous flow of 75 miners inches, Salazar ditch, a continuous flow of 100 miners inches, Trujillo ditch, and a continuous flow of 300 miners inches, Jurupa ditch.

1975 Watermaster Report, page I-5.

The 1975 Watermaster Report describes the service area of Trujillo as being bisected by the boundary line between Riverside and San Bernardino Counties. It allocates the full flow of 100 miners inches to each stockholder in turn for the number of hours to which each individual stockholder is entitled. Deliveries are made on the basis of an 11-day cycle, which is equal to 264 hours, with each stockholder receiving the full flow of the ditch for his number of hours entitlement once each 11 days.

From 1947 to 1976, the water delivered to Trujillo was produced from several source and delivered in different ways:

1947 through a portion of 1952: delivery was effected through a pipeline from the Riverside Water Company Canal to the Trujillo service area.

1952: The Riverside Water Company acquired property known as the Williams Ranch, which was supplied water from a well located on the ranch.

After March 1965: No Trujillo water was delivered in San Bernardino County.

1966:	Production from the Williams well for service of the Trujillo Right ceased, and the Trujillo Right was serviced from the Garner well owned by the City of Riverside.
1966 to 1976:	Deliveries were made from the Garner well.
1968	The Williams well and Ranch was sold to others. The City of Riverside retained the water rights.

We do not know how much water was delivered to Trujillo prior to 1947. The 1975 Watermaster Report shows at Table 3 No. 3 that the deliveries to Trujillo for 1947 was 1293 acre feet, 1948 - 1309 acre feet, 1949 - 1063 acre feet, and 1950 1231 acre feet. From 1950 to 1974 the amount does not go above 600 acre feet in any one year.

Table No. 3 of the 2003 Watermaster Report shows that delivery to Trujillo continued to decline from 1971 with 300 acre feet to 2003 with 5 acre feet being delivered.

We have not been able to confirm that Trujillo obtained any other water rights than that outlined in the Judgment discussed above. We conducted a search of the State Water Resources Control Board WRIMS well filing database and did not find any wells that were owned by Trujillo.

MISCELLANEOUS

We searched the Melvyl database, which is the University of California Libraries for items concerning the Trujillo using a variety of key words and the only item found was in the matter of application of the City of Colton³⁸ to construct an outfall sewer. We also performed a Lexis search and did not find any cases involving the Trujillo or the Bandini Donation. We did find several cases involving Riverside Water Company³⁹ and the Riverside Land Company. We downloaded one of them to use as background for this memo. An internet search for Trujillo brought up the agenda for the 2007 meeting which we had. We were able to find some background on the Bandini Donation which is located under Background.

³⁸Miscellaneous, Tab 33.

³⁹Miscellaneous, Tab 34.